Audit Report

Baltimore City Community College

May 2026

Public Notice

In compliance with the requirements of the State Government Article Section 2-1224(i), of the Annotated Code of Maryland, the Office of Legislative Audits has redacted cybersecurity findings and related auditee responses from this public report.

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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF LEGISLATIVE AUDITS
MARYLAND GENERAL ASSEMBLY

May 29, 2026

Senator Shelly L. Hettleman, Senate Chair, Joint Audit and Evaluation Committee
Delegate Jared Solomon, House Chair, Joint Audit and Evaluation Committee
Members of Joint Audit and Evaluation Committee
Annapolis, Maryland

Ladies and Gentlemen:

We have conducted a fiscal compliance audit of the Baltimore City Community College (BCCC) for the period beginning December 1, 2020 and ending June 30, 2025. BCCC is an urban two-year institution that primarily offers associate of arts degrees and certificate programs in the business and health services fields, as well as general studies for the purpose of continuing education at a four-year institution.

Our audit disclosed BCCC did not document critical aspects of procurements of goods/services, did not obtain certain required approvals, and did not publish contract awards as required. In addition, BCCC did not have comprehensive procedures for participating in Intergovernmental Cooperative Purchasing Agreements. BCCC also paid $485,000 for goods and licenses between June 2022 and June 2023 that remained unused as of December 2025 and did not ensure that amounts paid were consistent with the contract and supported. Furthermore, BCCC did not consolidate procurements from two vendors totaling approximately $638,000 circumventing oversight and transparency requirements and its leverage as a high-volume purchaser.

Our audit also disclosed that BCCC was unable to support the propriety of accrued federal fund revenue entries totaling $1.4 million which BCCC management advised may not be recoverable. BCCC also did not establish sufficient controls over significant aspects of the financial aid award processes and did not take appropriate action when it identified suspected fictitious students enrolled to obtain financial aid. BCCC awarded approximately $264,000 in financial aid to 145 of these suspected fictitious students.

Our audit further noted that BCCC did not establish adequate controls over its payroll resulting in unsupported and miscalculated leave payouts and employees remaining on payroll for months after their termination. BCCC also did not have adequate accountability and control over collections and did not take sufficient action when it identified missing collections resulting in the failure to identify, investigate, and pursue an additional $23,000 in missing funds. In addition, BCCC had not established sufficient controls over corporate purchasing card activity.

Furthermore, our audit disclosed cybersecurity-related findings. However, in accordance with the State Government Article, Section 2-1224(i) of the Annotated Code of Maryland, we have redacted the findings from this audit report. Specifically, State law requires the Office of Legislative Audits to redact cybersecurity findings in a manner consistent with auditing best practices before the report is made available to the public. The term "cybersecurity" is defined in the State Finance and Procurement Article, Section 3.5-301(c), and using our professional judgment we have determined that the redacted findings fall under the referenced definition. The specifics of the cybersecurity findings were previously communicated to those parties responsible for acting on our recommendations.

Finally, we received a referral to our fraud, waste, and abuse hotline alleging that BCCC has written off several million dollars' worth of inventory without a proper investigation. Based on our review, we were able to substantiate certain aspects of the allegation and identified deficiencies with BCCC's procedures and controls over equipment.

Many of the aforementioned conditions were identified but not corrected in one or more prior audits. Accordingly, we determined that BCCC's accountability and compliance level was unsatisfactory in accordance with the rating system we established in conformity with State law. The primary factors contributing to the unsatisfactory rating were the number and significance of the audit findings, the number of repeat findings and wide range of BCCC operations impacted by the findings.

BCCC's response to this audit is included as an appendix to this report. Consistent with State law, we have redacted the elements of BCCC's response related to the cybersecurity audit findings. In accordance with State law, we reviewed the response and noted agreement to our findings and related recommendations and will notify BCCC of any needed clarification to ensure the responses sufficiently address the related findings.

We wish to acknowledge the cooperation extended to us during the audit by BCCC.

Respectfully submitted,

Brian S. Tanen

Brian S. Tanen, CPA, CFE
Legislative Auditor

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* **Denotes item repeated in full or part from preceding audit report**

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Background Information

Agency Responsibilities

The Baltimore City Community College (BCCC) is an urban two-year institution and operates under the jurisdiction of BCCC's Board of Trustees. BCCC primarily offers associate degrees and certificate programs across the areas of behavioral and social sciences, pre-health professions, business, visual and performing arts, and STEM (science, technology, engineering, and mathematics). The degrees and certificates offered allow students to graduate and enter the workforce as well as continue their education at four-year institutions.

BCCC's reported full-time equivalent enrollment for credit courses in the spring 2025 semester was 855. According to the State's accounting records, BCCC's fiscal year 2025 revenues totaled approximately $83.2 million (see Figure 1), which included a State General Fund appropriation of approximately $48.3 million. During the period from June 30, 2021 through June 30, 2025, BCCC had vacancy rates that ranged from 27.5 percent to 32.7 percent. As of June 30, 2025, 30.7 percent of the total 437 positions were vacant. These vacancies may have contributed, at least in part, to the findings in this report.

Figure 1

BCCC Positions, Expenditures, and Funding Sources

Full-Time Equivalent Positions as of June 30, 2025	
	Positions
Filled	303
Vacant	134
Total	**437**

Fiscal Year 2025 Expenditures	
	Expenditures
Salaries, Wages, and Fringe Benefits	$39,459,431
Technical and Special Fees	9,394,406
Operating Expenses	34,307,084
Total	**$83,160,921**

Fiscal Year 2025 Funding Sources	
	Funding
Unrestricted[1]	$61,501,942
Restricted[2]	21,658,979
Total	**$83,160,921**

Source: State financial and personnel records

Financial Statement Audits

BCCC engaged an independent accounting firm to perform audits of its financial statements and those of its associated foundation, for the fiscal years ended June 30, 2021, 2022, 2023, and 2024. In the related audit reports, the firm stated that BCCC's and its foundation's (referred to as "discretely presented component unit") financial statements presented fairly, in all material respects, the respective financial position of BCCC and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

[1] Includes the State General Fund appropriation, tuition and fees, and other sources such as Auxiliary Services and Educational Activities.
[2] Includes federal and state grants, contracts, and other gifts.

Referral to Our Fraud, Waste, and Abuse Hotline

We received a referral to our fraud, waste, and abuse hotline alleging that BCCC had written off several million dollars in inventory without a proper investigation. Based on our review, we were able to substantiate certain aspects of the allegations and identified deficiencies with BCCC's procedures and controls over equipment as further described in Finding 16. Our review did not identify any matters that warranted a referral to the Office of the Attorney General's Criminal Division.

Status of Findings From Preceding Audit Report

Our audit included a review to determine the status of the eight findings contained in our preceding audit report dated February 9, 2022. See Figure 2 for the results of our review.

Figure 2
Status of Preceding Findings

Preceding Finding	Finding Description	Implementation Status
Finding 1	Redacted cybersecurity-related finding.[3]	Status Redacted[3]
Finding 2	BCCC had not established sufficient controls over significant aspects of the financial aid award and record keeping processes within the financial aid office.	**Repeated** (Current Finding 6)
Finding 3	BCCC was unable to provide adequate documentation to support a payroll adjustment increasing a senior BCCC management employee's compensation by $72,700. In addition, BCCC overpaid another employee $8,900 due to an undetected adjustment miscalculation.	**Repeated** (Current Finding 8)

[3] The finding description as well as the implementation status of this cybersecurity-related finding have been redacted for the publicly available report in accordance with State Government Article, Section 2-1224(i) of the Annotated Code of Maryland.

Figure 2 Status of Preceding Findings		
Preceding Finding	**Finding Description**	**Implementation Status**
Finding 4	BCCC did not always adhere to State procurement regulations regarding conducting competitive solicitations, obtaining Board of Public Works approval of contracts, and the publication of bid solicitations and awards. In addition, contract invoices were not always adequately verified prior to payment.	**Repeated** (Current Findings 1 3, and 4)
Finding 5	During our audit period, BCCC did not comply with State law and Department of Information Technology policies for the procurement and monitoring of its two resource sharing agreements.	Not repeated
Finding 6	Redacted cybersecurity-related finding.[4]	Status Redacted[4]
Finding 7	Redacted cybersecurity-related finding.[4]	Status Redacted[4]
Finding 8	BCCC did not conduct physical inventories of equipment and did not maintain complete equipment records as required.	**Repeated** (Current Finding 16)

Unsatisfactory Accountability and Compliance Level

We determined that BCCC's accountability and compliance level was unsatisfactory in accordance with the rating system we established in conformity with State Government Article, Section 2-1221, of the Annotated Code of Maryland. The rating was established for the purpose of determining an overall evaluation of an agency's fiscal accountability and compliance with State laws and regulations and is not a practice prescribed by professional auditing standards.

The unsatisfactory rating was made pursuant to the aforementioned law and rating guidelines approved by the Joint Audit and Evaluation Committee. The primary factors contributing to the unsatisfactory rating were the number and significance of our audit findings, including the number of findings repeated from our preceding audit report.

[4] The finding description as well as the implementation status of this cybersecurity-related finding have been redacted for the publicly available report in accordance with State Government Article, Section 2-1224(i) of the Annotated Code of Maryland.

Findings and Recommendations

Procurements and Disbursements

Background
Chapter 732, Laws of Maryland 2021, effective July 1, 2021 exempts the Baltimore City Community College (BCCC) from most provisions of State procurement law and from State oversight of its (1) information technology (IT) policies, standards, and procurement and (2) capital improvement and service contracts valued at $500,000 or less. The law further provides that, subject to review and approval of the Board of Public Works (BPW) and the Joint Committee on Administrative, Executive, and Legislative Review, BCCC develop policies and procedures governing its procurement that promote the purposes of State procurement law. BCCC developed *Procurement Policies and Procedures* which were approved by the BPW on July 6, 2022.

According to BCCC's records, during our audit period, 46 contracts totaling approximately $14.2 million were procured competitively and 566 contracts totaling $17.5 million were procured non-competitively. In addition, BCCC participated in 118 Intergovernmental Cooperative Purchasing Agreements (ICPAs) to obtain contracts totaling approximately $14.2 million.

Finding 1
BCCC did not document critical aspects of procurements including the justification for not using a competitive procurement, did not obtain certain required approvals, and did not publish contract awards, as required.

Analysis
BCCC did not document critical aspects of procurements including the justification for not using a competitive procurement, did not obtain certain required approvals, and did not publish contract awards, as required. We reviewed 10 procurements (5 competitive procurements totaling approximately $3.8 million and 5 non-competitive procurements totaling $860,000), and 9 contract modifications totaling $2.2 million.[5]

- BCCC could not provide certain required documentation to support the propriety of the 5 competitive procurements tested. For example, BCCC could not support the propriety of the evaluation results for 1 competitive procurement of architectural and engineering services totaling $1.5 million.

[5] These procurements and contract modifications tested were initiated between September 2021 and April 2025 and were selected for review based on materiality.

Specifically, BCCC could not provide any documented evaluation criteria, and the summary of evaluations did not agree with the individual evaluations. While each evaluation committee member separately ranked the bidders for this contract, those rankings were not accurately reflected on the summary used to justify the award. Our review disclosed that the discrepancies did not change the overall award decision.

- BCCC's sole source justifications for 4 of the 5 non-competitive procurements tested totaling $750,000 were not adequately documented. For example, the justification for a $263,000 sole source contract for hospitality training indicated that other vendors could provide the services but the vendor was procured without competition because of restrictions from the funding source. However, BCCC could not provide documentation to support the restriction.

- BCCC did not execute formal written agreements for 2 of the procurements tested totaling $102,000 and $263,000, respectively. As a result, there was no documentation of payment terms and the specific deliverables to enable effective monitoring of the services and the propriety of the related payments, as further detailed in Finding 3.

- BCCC did not obtain required approvals for 2 contract modifications tested and did not process a formal contract modification for an increase in a third contract's value. Our test of 9 modifications disclosed that BCCC executed a $324,000 modification for a renewal option without BPW approval and a $93,000 modification for a different contract (doubling the value of the contract) without BCCC Board of Trustees approval. For another $218,000 modification, while it was referenced in documentation submitted to the BPW, BCCC did not execute a written contract modification detailing the scope of work to be provided for the increase in contract cost.

- BCCC did not publish the 10 contract awards tested on *eMaryland Marketplace Advantage* (*eMMA*). Publishing awards provides transparency over State procurements including information about winning bidders and the amount of the related award.

BCCC's *Procurement Policies and Procedures* require documentation of proposals including evidence that proposals meet solicitation requirements and a summary of findings from the evaluation committee, and that the non-competitive procurement process be used only when a single source exists. The *Policies and Procedures* further require BPW approval of modifications of $50,000 or more and Board of Trustees approval for modifications that increase a contract's total value in excess of $100,000 and that such modifications be in writing. Finally, State law provides that the award of contracts of $100,000 or more procured by public institutions are to be published on *eMMA*.[6]

Similar conditions regarding maintaining required documentation to support the propriety of procurements, obtaining required approvals, and publishing contract awards were included in our prior audit report. In response to our report, BCCC indicated that by June 2022 required procurement documentation would be maintained, contracts would receive proper independent approval, and when applicable, awards would be published. BCCC could not explain why the recommendations were not implemented.

Recommendation 1
We recommend that BCCC comply with State law and its *Procurement Policies and Procedures* and

a. **maintain required documentation to support the propriety of competitive procurements (repeat);**
b. **competitively procure contracts unless there is only a single vendor that can meet the requirements;**
c. **prepare sufficiently documented sole source justifications, written contracts, and contract modifications;**
d. **obtain required approvals for contract modifications, including those noted above (repeat); and**
e. **ensure contract awards are published on *eMMA*, as required, including those noted above (repeat).**

Finding 2
BCCC did not have comprehensive procedures for participating in ICPAs.

Analysis
BCCC did not have comprehensive procedures for participating in ICPAs. Specifically, BCCC procedures did not include steps to ensure that participating in an ICPA was in the best interest of the State, did not require a review of the procurement method used for the ICPA, and did not require verification that the rates on the BCCC contract were consistent with those on the ICPA. These requirements are recommended best practices at other Maryland colleges/universities.

[6] Effective July 1, 2024, the threshold for publishing on *eMMA* increased from $50,000 to $100,000.

Our review of three contracts[7] totaling $4.5 million procured under ICPAs disclosed that for all three contracts tested, BCCC did not document that the use of the ICPA promoted efficiency and savings and did not verify that the rates on its contract agreed with the original ICPA. In addition, for one of these contracts totaling $475,500, BCCC did not ensure that the ICPA was procured using an appropriate procurement process. As a result, there is a lack of assurance that these contracts were in the State's best interest.

Recommendation 2
We recommend that BCCC establish procedures to ensure its use of ICPAs promotes efficiency and savings, are procured using an appropriate method, and that rates agree with the original contracts.

Finding 3
BCCC paid for equipment and services that were not needed and did not ensure that amounts paid were consistent with the contract and properly supported.

Analysis
BCCC paid for equipment and services that were not needed and did not ensure that amounts paid were consistent with the contract and properly supported. Our review of 22 invoices[8] totaling $5.2 million received from nine vendors during the period from January 2022 through June 2025 disclosed the following.

- BCCC paid invoices for electronic equipment (such as surveillance cameras, door access controllers, and related licenses) totaling $508,000 that remained unused as of the date of our test which in some cases was up to three years after they were purchased. For example, BCCC purchased 96 door access controllers totaling $156,000 between June 2022 and June 2023, and 312 door access controller licenses totaling $329,000 in June 2022, all of which remained unused as of December 2025.

  BCCC also did not ensure the rates paid for these goods were accurate and consistent with the related contract[9] resulting in overpayments totaling $100,000 and underpayments totaling $58,000 going undetected. For example, one invoice included a rate of $915 per door access controller when

[7] These contracts were initiated between February 2022 and April 2024 and were selected for review based on materiality.
[8] Our initial test was of 12 material invoices of which 2 invoices were from the vendor commented upon in the first bullet of this finding. Based on concerns with the initial 2 invoices from this vendor, we selected 10 additional material invoices from this vendor for testing.
[9] This was one of the three ICPA contracts noted in finding 2.

the contract provided for a rate of $700, resulting in net overpayments of $42,000.

- BCCC paid for services that were not included in the related contracts. Specifically, for 2 invoices tested, BCCC paid $93,000 for transportation and training when these services and the related rates were not included in the contract.

- BCCC could not provide support for 1 invoice totaling $34,000 for labor charges on an enterprise resource planning contract. The lack of documentation is significant because labor charges accounted for approximately 50 percent of the total $6.9 million contract.

Similar conditions regarding the lack of verification of the accuracy of invoice charges to the contractual rates and to supporting documentation were included in our prior audit report. In response to the report, BCCC indicated that by January 2022 it would validate invoice payments to contracts prior to payment and require additional evidence to support invoices, such as timecards and proof of performance. As noted above, BCCC did not implement these steps to ensure that amounts paid were proper.

Recommendation 3
We recommend that BCCC
a. only purchase goods and services that are actually needed and determine the feasibility of returning or obtaining a credit for the unused items noted above;
b. verify the accuracy of invoice charges to the contract rates and to supporting documentation such as, time records (repeat);
c. ensure all goods and services billed for are included in the contract; and
d. take appropriate action to resolve the aforementioned improper payments.

Finding 4
BCCC did not consolidate procurements from two vendors totaling approximately $638,000 circumventing oversight and transparency requirements and its leverage as a high-volume purchaser.

Analysis
BCCC did not consolidate procurements of certain goods and services circumventing oversight and transparency requirements and its leverage as a high-volume purchaser. Our analysis of purchasing activity totaling approximately $5

million during the period from December 1, 2020 through June 30, 2025 disclosed that BCCC made 263 purchases from two vendors totaling approximately $638,000 without a formal competitive procurement process.

For example, BCCC made 189 payments totaling $280,000 to one vendor each less than $2,500, for a rental truck used in its workforce development courses. Since the purchases were not consolidated, BCCC circumvented certain competitive procurement and approval requirements, such as publishing of solicitation and award, and obtaining Board of Trustees approval, and did not maximize its benefits as a high-volume purchaser.

BCCC's *Procurement Policies and Procedures* require that the acquisition of goods and services should be procured by applying the best methods and business practices which provide for public confidence in the College. In addition, the policy generally requires formal written competitive procurement and publication of the solicitation for procurements exceeding $25,000 and requires at least two written bids for procurements exceeding $5,000. The Policy further requires Board of Trustees approval for contracts that exceed $100,000.

A similar condition regarding not consolidating procurements to maximize the State's purchasing power was included in our prior report. In response to that report BCCC stated that by June 30, 2022 it would review purchasing practices to determine which contracts to consolidate. During our current audit, BCCC could not explain why the recommendation was not implemented.

Recommendation 4
We recommend that BCCC consolidate procurements of similar goods and services to maximize purchasing power and to comply with requirements for competition, increased transparency, oversight, and control (repeat).

Year-End Closing Entries

Finding 5
BCCC could not provide documentation to support the propriety of accrued federal fund revenue entries totaling $1.4 million which BCCC management advised may not be recoverable.

Analysis
BCCC could not provide documentation to support the propriety of accrued federal fund revenue entries totaling $1.4 million which BCCC management advised may not be recoverable. At the end of fiscal year 2025, BCCC recorded

85 accrued federal fund revenue entries totaling $27.2 million, including 32 positive accrued revenue entries (recording a receivable for anticipated future funds due) totaling $10.9 million and 53 negative accrued revenue entries (deferred revenue) totaling $16.3 million.

Our test of 6 of the 32 positive accrued revenue entries totaling approximately $8.4 million disclosed that BCCC could not document that two entries totaling $1.4 million accurately reflected amounts collectable from the federal government for COVID grants. As of December 2025, BCCC had not requested or received any of the federal funds. BCCC indicated that these funds appear to be uncollectable and plans to use its unrestricted revenue fund, which may include State general funds, to cover any related deficits.

The Comptroller of Maryland – General Accounting Division's (GAD) year-end closing instructions provide that these entries should reflect amounts that are collectable within 60 days of the end of the fiscal year and that revenue should be recognized in the same fiscal year the expenditure is made. The closing instructions also require that detailed documentation to support the entries be maintained.

Recommendation 5
We recommend that BCCC

a. **ensure that all accrued federal fund revenue entries are properly supported, as required by GAD policies; and**
b. **properly report any amounts determined to be uncollectable to GAD, including those noted above, and work with the Department of Budget and Management to resolve any related deficits.**

Student Financial Aid

Finding 6
BCCC had not established sufficient controls over significant aspects of the financial aid award and record keeping processes.

Analysis
BCCC had not established sufficient controls over significant aspects of the financial aid award and record keeping processes. Specifically, BCCC did not conduct independent supervisory reviews of manual adjustments to financial aid awards. In addition, BCCC did not conduct independent supervisory reviews of required verifications of financial aid application data and satisfactory academic progress by financial aid recipients, performed by financial aid office staff. As a

result, there was a lack of assurance that these adjustments and verifications were properly performed and documented. Our test of financial aid awards, manual adjustments, and verifications did not disclose any material deficiencies.

The accuracy and validity of these processes are required to ensure the propriety of student financial aid awards, which during academic year 2024-2025 totaled approximately $11.6 million. Of this amount, approximately $5.9 million were awards manually input into the financial aid system[10] and not subject to independent supervisory review and approval. Higher education institutions are required to verify information provided on certain financial aid applications to ensure students qualify for any aid awarded.

A similar condition was commented upon in our preceding audit report. In response to that report, BCCC advised that it hired a contractor to implement supervisory reviews of manual adjustments to financial aid awards and to ensure that satisfactory academic progress was achieved. Although BCCC procured a consulting services contract for its new financial aid system in September 2021, the scope of the contract did not include supervisory reviews of financial aid manual adjustments, application data, and satisfactory academic progress.

Recommendation 6
We recommend that BCCC ensure that manual adjustments to financial aid awards, as well as required verifications of financial aid application data and satisfactory academic progress by financial aid recipients are subject to independent supervisory review and approval (repeat).

Finding 7
BCCC did not take appropriate action when it identified suspected fictitious students attempting to obtain financial aid, and awarded and distributed aid to certain of these students without proper verifications.

Analysis
BCCC did not take appropriate action when it identified suspected fictitious students that applied for admission, and awarded and distributed federal financial aid (FFA) to certain of these students without proper verifications. National media have reported instances of fictitious or “ghost” students enrolled in post-secondary institutions across multiple states. This often involves AI-powered bots that mass-apply to colleges, create fake accounts, and submit fake

[10] BCCC implemented a new financial aid system to process and track financial aid in August 2022.

assignments to maintain the illusion of enrollment long enough to receive financial aid refunds.

Beginning in May 2024, BCCC identified potentially fictitious students who applied to BCCC. For example, BCCC identified students registered for the same courses multiple times, registered for multiple courses that did not require prerequisites, or that had no prior test history. Our review disclosed that BCCC flagged the suspicious students for further verifications but the flag did not preclude the students from receiving federal and State aid pending the verification.

Our analysis of the 4,394 accounts flagged for further verification as of November 2025, disclosed that BCCC could not provide any documentation of follow-up actions to verify the propriety of the accounts. Furthermore, during fiscal year 2025, BCCC awarded $264,392 in FFA to 145 of these students of which $165,043 was disbursed directly to the student. BCCC was unaware that it had awarded and disbursed these funds until we brought it to their attention. BCCC may be responsible for reimbursing the federal government for any improperly awarded aid.

BCCC also included these potential fictitious students in full-time equivalent student calculations reported to the Maryland Higher Education Commission (MHEC) for funding purposes. Based on our review during fiscal years 2024 and 2025, BCCC requested $635,915 for these students and received $126,901 in funding as of February 2026. BCCC may be responsible for reimbursing MHEC for any funding awarded on behalf of students that are determined to be fictitious.

Federal regulations require that schools have a system to resolve conflicting information pertaining to eligibility in student accounts prior to disbursing FFA. Additionally, schools must notify and provide supporting documentation to the federal Department of Education, Office of the Inspector General (DOE OIG) when accounts are suspected to be fraudulent. As of January 2026, BCCC has not referred any accounts to DOE OIG.

Recommendation 7
We recommend that BCCC

a. **take appropriate action when it identifies suspected fictitious students, including those noted above;**
b. **in conjunction with the Office of Attorney General determine if funding needs to be returned to the federal DOE and MHEC; and**
c. **refer suspected fictitious students, including those noted above, to appropriate authorities in accordance with federal regulations.**

Payroll

Finding 8
BCCC did not establish adequate procedures and controls to ensure the propriety of payroll transactions resulting in certain transactions that were unsupported or improper.

Analysis
BCCC did not establish adequate procedures and controls to ensure the propriety of payroll transactions. According to State records, during fiscal year 2025, BCCC's payroll expenditures totaled approximately $39.5 million on behalf of 437 regular and 189 contractual authorized employees. During this period, BCCC processed 526 employee additions and 475 rate changes.

- Our test of 10 employee additions and rate changes[11] processed between July 2021 and April 2025 disclosed that 3 rate changes totaling $22,500 did not have documentation, such as appointment letters to support the change. In addition, our test of 12 leave payouts totaling $248,000[11] processed between February 2021 and September 2025 disclosed that BCCC did not have adequate documentation to support 2 payouts totaling $59,000; paid $3,300 for 2 accrued leave payouts in excess of the maximum hours allowed by State regulations; and underpaid $2,300 to an employee due to an incorrect rate. These conditions were caused, at least in part, because BCCC did not have comprehensive procedures for processing and approving payroll adjustments.

- BCCC did not ensure that employees who left State service were timely removed from the payroll. According to State records, during the period from December 1, 2020 to June 30, 2025, there were 1,455 employees who separated from BCCC of which 897 were not removed from the State Payroll System (SPS) for at least 14 days after their separation. Our review of State records disclosed that 71 of these employees were paid in pay periods after their separation.[12] We reviewed 15 of these employees whose final payroll was between 17 days and 1,526 days (50 months) after the effective date of their termination and noted that 5 received regular payroll payments totaling approximately $29,000 subsequent to their termination date. BCCC could not readily justify these payments.

- BCCC did not ensure that timesheets were prepared, submitted and approved as required by BCCC's policy. For example, our arbitrary review of BCCC's

[11] We selected these test items based on risk and materiality.
[12] We excluded payments for leave payments, instead focusing on regular gross payments and other earnings for contractual employees who are ineligible to receive leave payouts.

payroll system for the pay periods ending from April 15, 2025 through May 13, 2025 disclosed that 354 of the 1,317 timesheets were either not prepared, submitted, or approved in BCCC's payroll information system, as of November 2025. This included 153 contractual employees that received payments totaling approximately $75,000. Although contractual employees are only paid if they prepare a timesheet, we were advised by BCCC management that supervisors prepared manual forms of hours worked for these contractual employees which were not recorded in the payroll system or certified for accuracy by the employee. BCCC's policies require timely submission and approval of employee time and leave.

Similar conditions regarding the lack of formal procedures governing criteria, documentation, and approvals needed for payroll adjustments, and payroll miscalculations were included in our prior audit report. Although BCCC indicated in its response and additional correspondence that procedures had been established (including a requirement that supervisors recalculate the adjustments), these procedures were not formalized in writing and as indicated by the above testing, not consistently implemented.

Recommendation 8
We recommend that BCCC

a. **develop formal procedures governing the criteria, documentation, and approvals (such as Board of Trustees) needed for adjustments (repeat);**
b. **ensure that all payroll adjustments are supported with adequate documentation and properly calculated (repeat), including those noted above, and recover any amounts that are determined to be improper;**
c. **ensure employees are timely removed from the payroll upon separation, investigate any payments to employees after termination and recover any amounts determined to be improper, including those noted above; and**
d. **ensure all timesheets are submitted and approved, as required, including those noted above.**

Cash Receipts

Background
BCCC collects payments for tuition, fees, charitable contributions, and grant awards. According to BCCC's records, during fiscal year 2025, collections totaled approximately $21.4 million, including $17 million in electronic collections, such as credit card receipts and wire transfers, and $4.4 million in checks and cash received by mail and at BCCC's cash registers.

Finding 9
BCCC did not have adequate accountability and control over certain collections.

Analysis
BCCC did not establish adequate accountability and control over certain collections. We reviewed procedures and controls over mail and cash register collections and tested 15 arbitrarily selected deposits made between April 2024 and June 2025, totaling approximately $2.7 million.[13] We also reviewed BCCC procedures for investigating chargebacks (such as bank adjustments) and arbitrarily tested 10 chargebacks processed between November 2021 and December 2024, totaling approximately $1.2 million.[14]

- BCCC could not provide documentation of the initial recordation for mailed checks totaling $2.5 million, included in 9 of the deposits tested.

- BCCC did not adequately secure collections prior to deposit. On multiple occasions, we observed that BCCC did not lock the safe where collections were maintained. As a result, 7 BCCC employees had unrestricted access to the collections.

- BCCC did not document the transfer of funds to its bank courier to establish accountability over the funds. Specifically, BCCC did not directly supervise the transfer or sign a transfer log to acknowledge the chain of custody. Instead, the log was pre-signed by BCCC cashiers and only signed by the courier when funds were collected.

- BCCC could not document a deposit verification was performed for all of the deposits tested, totaling $2.7 million. Our test of these deposits disclosed that transactions recorded in the cashiering system agreed with the related bank records.

- BCCC could not document that it investigated 9 of the bank adjustments tested which reduced the amount of the deposit by a total of $196,200. Rather, BCCC wrote these adjustments off as bad debt without obtaining supporting documentation or explanations. As a result, we could not readily determine the propriety of the transactions.

[13] We focused our review on collections received through the mail and at the cash registers because they were at a higher risk.
[14] We focused our review on significant chargebacks and those referencing physical deposits.

The Comptroller of Maryland General Accounting Division's *Accounting Procedures Manual* requires agencies to immediately record collections upon receipt, safeguard cash receipts until deposit, and independently reconcile collections to bank records using initial source documents and investigate any differences.

Recommendation 9

We recommend that BCCC establish adequate accountability and control over collections in accordance with the Comptroller of Maryland General Accounting Division's *Accounting Procedures Manual*. Specifically, we recommend that BCCC

a. **record mail collections immediately upon receipt;**
b. **ensure collections are properly secured prior to deposit;**
c. **document the transfer of funds to the bank courier;**
d. **perform an independent documented verification to ensure all collections received were deposited; and**
e. **conduct documented investigations of all chargebacks, including those noted above, and take appropriate corrective action.**

Finding 10

BCCC did not take sufficient action when it identified missing collections resulting in the failure to identify, investigate, and pursue an additional \$23,000 in missing funds.

Analysis

BCCC did not take sufficient action when it identified missing collections resulting in the failure to identify, investigate, and pursue additional missing funds. During our audit, BCCC management notified us that it identified \$7,220 missing from the July 9, 2024 collections. Our review disclosed that although BCCC investigated the missing funds, the investigation was not adequately documented or comprehensive. Specifically, BCCC did not document the investigation methodology, the time period reviewed, and the control deficiencies that enabled the missing collections to go undetected (including the conditions noted above in Finding 8).

BCCC also did not document any attempts to identify other missing collections. In this regard, we reviewed State and BCCC's records for the period January 2023 through June 2025 and identified six additional days with missing collections totaling \$23,000. These collections were recorded in BCCC's internal collection log and the State's accounting records but were not deposited. The State Treasurer's Office notified BCCC of the discrepancy between the recorded deposits and the bank records, but as noted in Finding 9, BCCC did not investigate bank adjustments or take any other corrective action.

We further noted that BCCC did not refer this matter to the Governor's Chief Legal Counsel as required. Rather, BCCC only referred the $7,220 in missing collections it identified to the Office of the Attorney General (OAG). The Governor's Executive Order, *Standards of Conduct for Executive Branch Employees*, requires that all departments and agencies of the State immediately refer any instances of possible criminal or unethical conduct by an employee to the OAG and Governor's Chief Legal Counsel.

Recommendation 10
We recommend that BCCC
a. take sufficient actions when it becomes aware of questionable activity,
b. consult with the OAG before taking any actions related to the missing collections noted above, and
c. ensure any future instances of possible criminal or unethical conduct are referred to the appropriate entities in accordance with the aforementioned Executive Order.

Corporate Purchasing Cards

Finding 11
BCCC did not have adequate controls over corporate purchasing card (CPC) activity.

Analysis
BCCC did not establish adequate controls over CPC activity. According to BCCC's records, during the period from December 1, 2020 through June 30, 2025, CPC transactions totaled approximately $5 million across 29 cardholders. Our test of 25 CPC transactions[15] totaling approximately $46,000 disclosed the following conditions:

- BCCC did not review and approve CPC activity logs, as required, for 16 transactions totaling $24,000. The total transactions not subject to review on the 11 related CPC activity logs totaled $294,000. Our review of these transactions disclosed that they appeared to be reasonable.

[15] We selected test items based on risk and the items purchased.

- BCCC did not ensure that cardholders obtained sufficient documentation to facilitate the above noted supervisory review, such as packing slips or receiving reports, to support that the goods/services were received for 19 transactions totaling $35,000.

- Supervisory reviews of monthly CPC activity logs did not use available Level-3 data to ensure the propriety of the purchases, as required. Level-3 data, which is reported by certain merchants, consists of detailed descriptions of items purchased and provide supervisors with additional information to help detect questionable purchases. During the period from December 1, 2020 through June 30, 2025, Level-3 data was available for 3,995 of BCCC's CPC transactions totaling approximately $2.4 million. Based on our review of the Level-3 data, we did not identify any questionable purchases.

The Comptroller of Maryland's *Corporate Purchasing Card Program Policy and Procedures Manual* requires agencies to perform a documented supervisory review of monthly CPC cardholder activity logs and transactions. Such a review is to include Level-3 data and ensure that all transactions are properly documented with sufficient detail (such as itemized receipts and packing slips).

Recommendation 11
We recommend that BCCC comply with the aforementioned *Manual* and
a. perform a documented independent supervisory review for the propriety of all CPC transactions,
b. verify goods and services paid for were received and supported, and
c. ensure supervisors use available Level-3 data as part of the monthly review to aid in the assessment of the propriety of purchases and payments.

Information Systems Security and Control

We have determined that the Information Systems Security and Control section, including Findings 12 through 15 related to "cybersecurity," as defined by the State Finance and Procurement Article, Section 3.5-301(c) of the Annotated Code of Maryland, and therefore are subject to redaction from the publicly available report in accordance with the State Government Article 2-1224(i). Consequently, the specifics of the following findings, including the analysis, related recommendations, along with BCCC's responses, have been redacted from this report copy.

Finding 12
Redacted cybersecurity-related finding.

Finding 13
Redacted cybersecurity-related finding.

Finding 14
Redacted cybersecurity-related finding.

Finding 15
Redacted cybersecurity-related finding.

Equipment

Finding 16
BCCC did not conduct required physical inventories of its equipment and wrote off missing equipment valued at approximately $20.1 million without performing an investigation or obtaining approval from the Department of General Services (DGS), as required.

Analysis
BCCC did not conduct required physical inventories of equipment and wrote off missing equipment without performing an investigation or obtaining approval from DGS, as required. Specifically, BCCC only conducted one physical inventory in June 2023 and did not reconcile the results to its inventory records. In addition, we received a referral to our fraud, waste, and abuse hotline alleging that BCCC had written off several million dollars of inventory without a proper investigation. Based on our review, we were able to substantiate the allegation but did not identify any issues that warranted a referral to the Office of the Attorney General's Criminal Division.

Specifically, our review disclosed that BCCC did not investigate 26,018 missing items (including sensitive items such as laptops and computer equipment) identified during the inventory with a value of approximately $20.1 million (72 percent of the total equipment balance as of June 2023). Rather, BCCC management advised that after the initial attempt to locate the equipment, it did not perform any further investigation. BCCC also removed the missing equipment from its inventory records without obtaining DGS approval, as required.

DGS' *Inventory Control Manual* requires that physical inventories be conducted for sensitive items annually and for non-sensitive every three years, missing equipment is investigated, and the results reconciled to the detail records. Furthermore, the *Manual* requires agencies to obtain DGS approval prior to removing items from the inventory records.

Similar conditions regarding accountability and control over equipment have been commented on in our two preceding audit reports dating back to November 2017. In response to our prior report, BCCC stated that by November 2022 it would complete a full inventory and continue to do so on an annual basis. As noted above BCCC only performed one inventory and it was not comprehensive. We were advised by BCCC management that insufficient staffing contributed to the failure to implement the recommendations as intended.

Recommendation 16
We recommend that BCCC
a. **conduct timely periodic documented physical inventories of equipment (repeat);**
b. **ensure that the results are investigated and reconciled to the detail inventory records (repeat); and**
c. **obtain DGS approval prior to removing missing items from its inventory records, including those noted above.**

Audit Scope, Objectives, and Methodology

We have conducted a fiscal compliance audit of the Baltimore City Community College (BCCC) for the period beginning December 1, 2020 and ending June 30, 2025. The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

As prescribed by the State Government Article, Section 2-1221 of the Annotated Code of Maryland, the objectives of this audit were to examine BCCC's financial transactions, records, and internal control, and to evaluate its compliance with applicable State laws, rules, and regulations.

In planning and conducting our audit, we focused on the major financial-related areas of operations based on assessments of significance and risk. The areas addressed by the audit included procurements and disbursements, corporate purchasing cards, cash receipts, student accounts receivable, financial aid, payroll, equipment, resource sharing agreements, information systems security and control, and federal funds. In addition, we reviewed certain activities related to a referral to our fraud, waste, and abuse hotline. We also determined the status of the findings contained in our preceding audit report.

Our audit did not include an evaluation of internal controls over compliance with federal laws and regulations for federal financial assistance programs and an assessment of BCCC's compliance with those laws and regulations because the State of Maryland engages an independent accounting firm to annually audit such programs administered by State agencies, including BCCC.

Our assessment of internal controls was based on agency procedures and controls in place at the time of our fieldwork. Our tests of transactions and other auditing procedures were generally focused on the transactions occurring during our audit period of December 1, 2020 to June 30, 2025, but may include transactions before or after this period as we considered necessary to achieve our audit objectives.

To accomplish our audit objectives, our audit procedures included inquiries of appropriate personnel, inspections of documents and records, tests of transactions, and to the extent practicable, observations of BCCC's operations. Generally, transactions were selected for testing based on auditor judgment, which primarily considers risk, the timing or dollar amount of the transaction, or the significance of the transaction to the area of operation reviewed. As a matter of course, we do not normally use sampling in our tests, so unless otherwise specifically indicated, neither statistical nor non-statistical audit sampling was used to select the transactions tested. Therefore, unless sampling is specifically indicated in a finding, the results from any tests conducted or disclosed by us cannot be used to project those results to the entire population from which the test items were selected.

We also performed various data extracts of pertinent information from the State's Financial Management Information System (such as revenue and expenditure data), the State's Central Payroll Bureau (payroll data), as well as from the contractor administering the State's Corporate Purchasing Card Program (credit card activity. The extracts are performed as part of ongoing internal processes established by the Office of Legislative Audits and were subject to various tests to determine data reliability. We determined that the data extracted from these sources were sufficiently reliable for the purposed the data were used during this audit.

We also extracted data from BCCC's financial system, such as student accounts receivable, for the purpose of selecting test items and assessing user access. We performed various tests of the relevant data and determined that the data were sufficiently reliable for the purposes the data were used during the audit. Finally, we performed other auditing procedures that we considered necessary to achieve our audit objectives. The reliability of data used in this report for background or informational purposes was not assessed.

BCCC's management is responsible for establishing and maintaining effective internal control. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records; effectiveness and efficiency of operations, including safeguarding of assets; and compliance with applicable laws, rules, and regulations are achieved. As provided in *Government Auditing Standards*, there are five components of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Each of the five components, when significant to the audit objectives, and as applicable to BCCC, were considered by us during the course of this audit.

Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected. Also, projections of any evaluation of internal control to future periods are subject to the risk that conditions may change or compliance with policies and procedures may deteriorate.

Our reports are designed to assist the Maryland General Assembly in exercising its legislative oversight function and to provide constructive recommendations for improving State operations. As a result, our reports generally do not address activities we reviewed that are functioning properly.

This report includes findings relating to conditions that we consider to be significant deficiencies in the design or operation of internal control that could adversely affect BCCC's ability to maintain reliable financial records, operate effectively and efficiently, and/or comply with applicable laws, rules, and regulations. Our report also includes findings regarding significant instances of noncompliance with applicable laws, rules, or regulations. Other less significant findings were communicated to BCCC that did not warrant inclusion in this report.

State Government Article Section 2-1224(i) requires that we redact in a manner consistent with auditing best practices any cybersecurity findings before a report is made available to the public. This results in the issuance of two different versions of an audit report that contains cybersecurity findings – a redacted version for the public and an unredacted version for government officials responsible for acting on our audit recommendations.

The State Finance and Procurement Article, Section 3.5-301(c), states that cybersecurity is defined as "processes or capabilities wherein systems, communications, and information are protected and defended against damage, unauthorized use or modification, and exploitation". Based on that definition, and in our professional judgment, we concluded that certain findings in this report fall under that definition. Consequently, for the publicly available audit report all specifics as to the nature of this cybersecurity information has been redacted. We have determined that such aforementioned practices, and government auditing standards, support the redaction of this information from the public audit report. The specifics of the cybersecurity findings have been communicated to BCCC and those parties responsible for acting on our recommendations in an unredacted audit report.

As a result of our audit, we determined that BCCC's accountability and compliance level was unsatisfactory. The primary factors contributing to the unsatisfactory rating were the number and significance of our audit findings, including the number of findings repeated from our preceding audit report. Our rating conclusion has been made solely pursuant to the aforementioned law and rating guidelines approved by the Join Audit and Evaluation Committee. The rating process is not a practice prescribed by professional auditing standards.

BCCC's response to our findings and recommendations is included as an appendix to this report. Depending on the version of the audit report, responses to any cybersecurity findings may be redacted in accordance with State law. As prescribed in the State Government Article, Section 2-1224 of the Annotated Code of Maryland, we will advise BCCC regarding the results of our review of its response.

APPENDIX

BCCC
Baltimore City Community College

May 29, 2026

Mr. Brian S. Tanen, CPA, CFE
Legislative Auditor
Office of Legislative Audits
351 West Camden Street, Suite 400
Baltimore, Maryland 21201

Dear Mr. Tanen

On behalf of Baltimore City Community College, I would like to formally acknowledge the completion of the fiscal compliance audit covering the period beginning December 30, 2020, and ending June 30, 2025.

We sincerely appreciate the professionalism, diligence, thoroughness, and time invested by your team during the audit. Baltimore City Community College remains committed to strengthening internal controls and ensuring accountability and integrity of our agency.

Sincerely,

Debra L. McCurdy

Debra L. McCurdy, PhD
President

2901 Liberty Heights Avenue | Baltimore, MD 21215-7807| 410 462-8300
www.bccc.edu

Baltimore City Community College

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Procurements and Disbursements

Finding 1 **BCCC did not document critical aspects of procurements including the justification for not using a competitive procurement, did not obtain certain required approvals, and did not publish contract awards, as required.**

We recommend that BCCC comply with State law and its *Procurement Policies and Procedures* and

a. **maintain required documentation to support the propriety of competitive procurements (repeat);**
b. **competitively procure contracts unless there is only a single vendor that can meet the requirements;**
c. **prepare sufficiently documented sole source justifications, written contracts, and contract modifications;**
d. **obtain required approvals for contract modifications, including those noted above (repeat); and**
e. **ensure contract awards are published on *eMMA*, as required, including those noted above (repeat).**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 1a	Agree	**Estimated Completion Date:**	09/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will implement corrective actions to ensure that all procurements are fully documented and maintained in accordance with policy. Specifically, BCCC is developing and enforcing a standardized procurement file checklist that includes all required elements such as solicitations, evaluation documentation, approvals, and award determinations. A centralized electronic contract management and document repository is being implemented to ensure consistent record retention and accessibility. In addition, procurement staff and departmental liaisons will receive mandatory training on documentation standards and compliance expectations, and periodic internal compliance reviews will be conducted to ensure adherence.		
Recommendation 1b	Agree	**Estimated Completion Date:**	10/31/2026

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Please provide details of corrective action or explain disagreement.	BCCC will take corrective action to strengthen controls over the selection of procurement methods to ensure that competitive procurement is used whenever applicable. The College is implementing a formal pre-procurement review process requiring Procurement Office approval of the procurement method prior to solicitation or award. This process will include validation that competition is sought unless a properly documented and approved sole source justification exists. Additional guidance and training will be provided to departments to reinforce requirements for competition and to discourage inappropriate use of non-competitive procurements. Ongoing monitoring and supervisory review will be established to ensure compliance.		
Recommendation 1c	Agree	**Estimated Completion Date:**	11/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will implement corrective measures to ensure that all sole source procurements are properly justified and that all procurements are supported by formal written agreements. The College is revising its sole source justification process to require detailed documentation demonstrating that only one vendor can provide the required goods or services, including market research, vendor uniqueness analysis, and verification of funding source restrictions when applicable. These justifications will be independently reviewed and approved by Procurement leadership prior to award. Additionally, BCCC will enforce a strict "no contract, no service" policy requiring fully executed written agreements before any goods or services are delivered. Standardized contract templates will be updated to include clear scopes of work, deliverables, performance metrics, payment terms, and compliance clauses. The College will also require all contract modifications to be formalized in writing, with documented scope and cost changes, and subject to the same review and approval processes as original contracts. Compliance checkpoints and system controls will be implemented to prevent payment processing without an executed agreement in place.		
Recommendation 1d	Agree	**Estimated Completion Date:**	10/31/2026
Please provide details of corrective action or explain disagreement.	BCCC agrees and has enhanced its internal controls to ensure that all contract modifications receive the appropriate approvals prior to execution, as required by State law and institutional policy. Corrective actions include the implementation of a contract and modification		

	tracking system that captures original contract values, cumulative modification amounts, and applicable approval thresholds for Board of Public Works and Board of Trustees review. The Procurement Office will establish a formal pre-execution compliance review to verify that all required approvals, supporting documentation, and justifications are obtained and documented before any modification is finalized. In addition, system-based controls will be introduced to flag transactions that exceed established thresholds and prevent processing without documented approvals. Training will be provided to procurement and program staff regarding approval requirements and escalation procedures. Periodic internal audits will be conducted to ensure ongoing compliance, and any identified exceptions will be reported to executive leadership and addressed through corrective action.		
Recommendation 1e	Agree	**Estimated Completion Date:**	06/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will formalize procedures to ensure consistent application of eMMA publication requirements based on applicable thresholds, procurement methods, and funding sources. The Office of Procurement will integrate an eMMA posting review into the contract award and close out process to confirm whether publication is required prior to final execution. Management will also provide refresher training for staff responsible for contract administration and will institute periodic supervisory reviews to monitor compliance and reinforce consistent practice going forward.		

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Finding 2
BCCC did not have comprehensive procedures for participating in ICPAs.

We recommend that BCCC establish procedures to ensure its use of ICPAs promotes efficiency and savings, are procured using an appropriate method, and that rates agree with the original contracts.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 2	Agree	**Estimated Completion Date:**	06/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will formalize and implement written procedures requiring documented analyses confirming that use of an ICPA is in the College's best interest, that the cooperative agreement was competitively procured by the originating entity, and that pricing and terms are consistent with the original contract. These requirements will be incorporated into procurement review processes and staff guidance to strengthen oversight, consistency, and documentation of ICPA participation going forward. A formal reconciliation process is being developed to ensure all payments agree with the original contract terms. These requirements will be incorporated into procurement checklists, internal guidance, and review protocols consistent with Section 4.5 of the Procurement Policies and Procedures.		

Baltimore City Community College

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Finding 3 **BCCC paid for equipment and services that were not needed and did not ensure that amounts paid were consistent with the contract and properly supported.**

We recommend that BCCC

a. **only purchase goods and services that are actually needed and determine the feasibility of returning or obtaining a credit for the unused items noted above;**

b. **verify the accuracy of invoice charges to the contract rates and to supporting documentation such as, time records (repeat);**

c. **ensure all goods and services billed for are included in the contract; and**

d. **take appropriate action to resolve the aforementioned improper payments.**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 3a	Agree	**Estimated Completion Date:**	09/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will strengthen pre-purchase planning, approvals, and coordination between Procurement, Information Technology, Facilities, and user departments to ensure that purchases align with current implementation schedules and operational needs. Management will evaluate unused equipment and licenses identified in the audit to determine whether returns, credits, redeployment, or contract amendments are feasible. Going forward, purchases of technology and related licenses will be phased, where practicable, to better align acquisition timing with deployment readiness.		
Recommendation 3b	Agree	**Estimated Completion Date:**	08/31/2026
Please provide details of corrective action or explain disagreement.	BCCC will implement mandatory contract management and invoice-review training for all departments involved in procurement, contract administration, and invoice approval. The training will emphasize departmental responsibilities for validating invoice charges against contract terms, approved rate schedules, and required supporting documentation, such as time records and proof of performance, prior to approval for payment.		

	A formal reconciliation process is being developed to ensure all payments agree with the original contract terms.		
Recommendation 3c	Agree	**Estimated Completion Date:**	06/30/2027
Please provide details of corrective action or explain disagreement.	BCCC will strengthen contract administration and invoice approval controls to ensure that only goods and services expressly authorized in executed contracts or approved contract modifications are paid. Prior to invoice approval, departments and contract administrators will be required to confirm that all invoiced line items—including labor categories, rates, quantities, licenses, training, transportation, and ancillary services—are clearly reflected in the governing contract documents. To support this requirement, BCCC will enhance contract review procedures to ensure that scopes of work, pricing schedules, optional services, and allowable reimbursable costs are clearly defined at the time of contract execution. In instances where services or charges are not included in the original contract, payments will not be approved until a formally executed contract modification or amendment is completed and properly approved in accordance with delegated authority. As part of the inventory and property records initiative, the process of receiving goods and services will be strengthened to reconcile against the original contract. A formal checklist will be implemented to ensure compliance. Additionally, Procurement and Finance will collaborate to implement standardized invoice-to-contract reconciliation tools and review checklists. These tools require documented confirmation that charges are contractually authorized before payment and will be used consistently across departments to promote compliance and accountability.		
Recommendation 3d	Agree	**Estimated Completion Date:**	06/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will take appropriate corrective action to identify, document, and resolve all overpayments and underpayments identified in the audit. This will include contacting vendors to pursue refunds, credits, or billing adjustments, as well as reconciling underpayments through corrected invoicing or contractual amendments where warranted. All actions taken to resolve payment discrepancies will be formally documented and retained in the contract and payment records.		

Baltimore City Community College

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Finding 4 **BCCC did not consolidate procurements from two vendors totaling approximately $638,000 circumventing oversight and transparency requirements and its leverage as a high-volume purchaser.**

We recommend that BCCC consolidate procurements of similar goods and services to maximize purchasing power and to comply with requirements for competition, increased transparency, oversight, and control (repeat).

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 4	Agree	**Estimated Completion Date:**	12/31/2026
Please provide details of corrective action or explain disagreement.	BCCC will implement a comprehensive corrective action plan designed to ensure that procurements of similar goods and services are effectively consolidated to maximize purchasing power and comply with all applicable requirements. As part of this effort, BCCC is establishing a centralized spend monitoring process that includes the development of quarterly spend analysis reports and vendor spend aggregation reports to identify high-frequency vendors and opportunities for consolidation. A formal Standard Operating Procedure (SOP) for spend monitoring and vendor analysis is being implemented to guide consistent review and decision-making. In addition, BCCC is advancing vendor consolidation and competitive procurement initiatives by identifying high-volume vendors suitable for consolidation and conducting formal competitive procurements (e.g., RFPs and IFBs) to establish contracts or blanket purchase agreements. BCCC will conduct a formal quarterly evaluation to assess procurements to consolidate vendors and leverage purchasing efficiencies.		

Baltimore City Community College

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Year-End Closing Entries

Finding 5 **BCCC could not provide documentation to support the propriety of accrued federal fund revenue entries totaling $1.4 million which BCCC management advised may not be recoverable.**

We recommend that BCCC

a. **ensure that all accrued federal fund revenue entries are properly supported, as required by GAD policies; and**
b. **properly report any amounts determined to be uncollectable to GAD, including those noted above, and work with the Department of Budget and Management to resolve any related deficits.**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 5a	Agree	**Estimated Completion Date:**	07/31/2026
Please provide details of corrective action or explain disagreement.	BCCC notes that the recording of accrued revenue and deferred revenue for restricted funds is a standard component of year-end closing procedures. This is performed in accordance with State requirements to align revenue recognition with related expenditures. BCCC will enhance its year-end closing procedures to require documented support for all accrued revenue entries, including verification of eligibility, timing of reimbursement, and reasonable assurance of collectability within the prescribed period. In addition, BCCC will implement a secondary review process for significant or complex accruals, including confirmation of supporting documentation and assessment of collectability prior to recording. BCCC will also perform follow-up monitoring of accrued receivables to ensure timely collection and to identify and adjust any amounts that are not recoverable.		
Recommendation 5b	Agree	**Estimated Completion Date:**	08/31/2026

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Please provide details of corrective action or explain disagreement.	BCCC acknowledges that certain accrued federal fund revenue, including COVID-related grant funding, was not ultimately recoverable due to changes in reimbursement processes at the U.S. Department of Education. BCCC made multiple attempts to obtain reimbursement, including submitting required documentation and follow-up inquiries; however, these efforts were not successful. BCCC recognizes that amounts determined to be uncollectable must be properly evaluated, reported, and resolved in accordance with State requirements. Accordingly, BCCC will coordinate with the Comptroller of Maryland – General Accounting Division (GAD) to ensure that any uncollectable amounts are appropriately reported and adjusted. In addition, BCCC will work with the Department of Budget and Management (DBM) to address any resulting financial impact and determine appropriate resolution of related deficits. BCCC will strengthen its year-end review processes to include timely assessment of collectability for accrued revenues, escalation of potential collection issues, and earlier coordination with State agencies when reimbursement delays or uncertainties arise.

Baltimore City Community College

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Student Financial Aid

Finding 6 **BCCC had not established sufficient controls over significant aspects of the financial aid award and record keeping processes.**

We recommend that BCCC ensure that manual adjustments to financial aid awards, as well as required verifications of financial aid application data and satisfactory academic progress by financial aid recipients are subject to independent supervisory review and approval (repeat).

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 6	Agree	**Estimated Completion Date:**	10/31/2026
Please provide details of corrective action or explain disagreement.	While existing processes include reconciliation-level oversight, BCCC recognizes the opportunity to strengthen formal supervisory review controls and will implement the following corrective actions: • Independent Review Process: Establish secondary review and approval for manual award adjustments, verification outcomes, and SAP determinations • Segregation of Duties: Separate processing and supervisory review functions • Compliance Oversight: Designate a Compliance Officer to conduct periodic file reviews • System Controls: Utilize Banner to track adjustments, enforce approvals, and maintain audit trails • Training & SOPs: Update procedures to define review requirements, documentation standards, and approval thresholds • Ongoing Monitoring: Conduct periodic internal audits and quality assurance reviews BCCC remains committed to full compliance with DOE Title IV regulations and continuous improvement of internal controls.		

Baltimore City Community College

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Finding 7
BCCC did not take appropriate action when it identified suspected fictitious students attempting to obtain financial aid, and awarded and disbursed aid to certain of these students without proper verifications.

We recommend that BCCC

a. **take appropriate action when it identifies suspected fictitious students, including those noted above;**
b. **in conjunction with the Office of Attorney General determine if funding needs to be returned to the federal DOE and MHEC; and**
c. **refer suspected fictitious students, including those noted above, to appropriate authorities in accordance with federal regulations.**

<table>
<tr><th colspan="4">Agency Response</th></tr>
<tr><td>Analysis</td><td colspan="3"></td></tr>
<tr><td>Please provide additional comments as deemed necessary.</td><td colspan="3"></td></tr>
<tr><td>Recommendation 7a</td><td>Agree</td><td>Estimated Completion Date:</td><td>10/31/2026</td></tr>
<tr><td>Please provide details of corrective action or explain disagreement.</td><td colspan="3">The identified gaps have been addressed through the implementation of strengthened controls aligned with federal requirements and institutional risk management practices.

BCCC is implementing a centralized tracking process for all accounts identified as potentially fraudulent. This process requires documentation of review actions, status, and resolution outcomes. Financial aid disbursements are restricted for all flagged accounts through system and manual holds until identity, enrollment, and eligibility are verified and all conflicting information is resolved in accordance with 34 CFR §668.16(f).

In addition, BCCC is establishing formal procedures to ensure that suspected fraud cases are evaluated for referral to the U.S. Department of Education Office of Inspector General (DOE OIG) in accordance with 34 CFR §668.16(g). The College will also coordinate with the Office of the Attorney General, as appropriate, to assess any required recovery of federal or state funds.</td></tr>
</table>

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	BCCC will continue to monitor these controls through periodic internal review and compliance monitoring to ensure consistent application, timely resolution of flagged accounts, and adherence to federal and State requirements.		
Recommendation 7b	Agree	**Estimated Completion Date:**	10/31/2026
Please provide details of corrective action or explain disagreement.	BCCC will coordinate with the Office of the Attorney General, the U.S. Department of Education, and the Maryland Higher Education Commission (MHEC) to determine whether any federal or state funds associated with identified accounts must be returned. For accounts determined to involve improper or fraudulent activity, BCCC will ensure if applicable that all required adjustments are made, including reversal and return of Title IV funds in accordance with federal requirements and correction of any related State funding or reporting, including Full-Time Equivalent (FTE) calculations. BCCC has implemented formal procedures to support this process, including centralized documentation of suspected and confirmed fraud cases, required evaluation of fund recovery obligations, and coordination with appropriate external agencies. In addition, BCCC will maintain documentation of all determinations, communications, and actions taken to ensure compliance with federal and State requirements and to support audit and oversight activities. Summer 2026 and Fall 2026 will provide an opportunity to implement defined processes to minimize this exposure and adjust accordingly based on results.		
Recommendation 7c	Agree	**Estimated Completion Date:**	10/31/2026
Please provide details of corrective action or explain disagreement.	BCCC has implemented formal procedures and strengthened internal controls to ensure suspected fictitious student activity is promptly identified, documented, and referred in accordance with 34 CFR §668.16(g). Cases are centrally tracked and evaluated, with those meeting the threshold referred to the U.S. Department of Education Office of Inspector General and supported by appropriate documentation. All related accounts have holds to prevent further disbursement during review.		

	The College will continue to monitor these procedures and test internal controls and will update processes as warranted in response to the ongoing national trend of increased fictitious account activity.

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Payroll

Finding 8
BCCC did not establish adequate procedures and controls to ensure the propriety of payroll transactions resulting in certain transactions that were unsupported or improper.

We recommend that BCCC

a. **develop formal procedures governing the criteria, documentation, and approvals (such as Board of Trustees) needed for adjustments (repeat);**
b. **ensure that all payroll adjustments are supported with adequate documentation and properly calculated (repeat), including those noted above, and recover any amounts that are determined to be improper;**
c. **ensure employees are timely removed from the payroll upon separation, investigate any payments to employees after termination and recover any amounts determined to be improper, including those noted above; and**
d. **ensure all timesheets are submitted and approved, as required, including those noted above.**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 8a	Agree	**Estimated Completion Date:**	06/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will develop and implement formal standard operating procedures governing payroll adjustments, including defined criteria, required documentation, and approval requirements. All payroll adjustments require a formal request supported by appropriate documentation and CFO and/or President approval prior to processing. Upon approval, Human Resources and Payroll review the request for completeness and compliance, and a Personnel Action Form (PAF) is initiated and processed through an electronic approval workflow. Supporting documentation and approvals are retained electronically, and official documentation is maintained in the Office of Human Resources.		

	These procedures establish consistent controls over payroll adjustments, including required documentation, defined approval authority, and centralized processing to ensure accuracy and propriety. BCCC will continue to monitor and refine these procedures to ensure consistent application and alignment with internal controls and State requirements.		
Recommendation 8b	Agree	**Estimated Completion Date:**	06/30/2026
Please provide details of corrective action or explain disagreement.	All payroll adjustments require supporting documentation, validated calculations, and appropriate approvals before processing. For the specific instances identified in the audit, BCCC will take corrective action. The College will ensure that all payment adjustments will be addressed accordingly. In the event of overpayments, recovery efforts will be processed in accordance with State requirements, including required notification steps prior to referral to the Central Collection Unit. To address this matter going forward, BCCC is developing formal procedures governing payroll adjustments, including required supporting documentation, standardized calculation review, and defined approval requirements prior to processing. These procedures establish clear accountability and documentation standards to ensure that all payroll adjustments are properly supported and accurately calculated. In addition, BCCC will implement periodic review of payroll adjustments to ensure compliance with established procedures and to identify and address any discrepancies in a timely manner.		
Recommendation 8c	Agree	**Estimated Completion Date:**	09/30/2026
Please provide details of corrective action or explain disagreement.	BCCC is implementing a formalized separation process to ensure that employees are timely and accurately removed from the payroll system upon termination. This process includes documented separation, entry of the appropriate termination action in the ERP system and required review and approval prior to removal from the payroll file. To strengthen controls, BCCC will establish a verification step to confirm that terminated employees are removed from active payroll status before subsequent payroll processing.		

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	Payroll and Human Resources will coordinate to ensure that all separation actions, including final payments such as leave payouts, are properly recorded and completed. A bi-annual review process will be implemented to ensure all separate employees have been removed from the BCCC ERP system.		
Recommendation 8d	Agree	**Estimated Completion Date:**	06/30/2026
Please provide details of corrective action or explain disagreement.	Timesheet compliance monitoring will be implemented with escalation for non-submission. BCCC will implement strengthened controls to ensure that all timesheets are submitted and approved in accordance with established policy prior to payroll processing. Timesheet submission and supervisory approval will be required as a condition for payment, and transactions lacking required approval will not be processed until compliance is achieved. To support these controls, Human Resources will issue timesheet status reports for each pay period to identify missing or unapproved timesheets for both permanent and contractual employees. These reports will be used to enforce timely completion and approval and to ensure accountability at the supervisory level. In addition, BCCC will clearly define and communicate responsibilities for employees and supervisors regarding timesheet submission and approval and will implement follow-up procedures for noncompliance, including escalation where necessary.		

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Cash Receipts

Finding 9
BCCC did not have adequate accountability and control over certain collections.

We recommend that BCCC establish adequate accountability and control over collections in accordance with the Comptroller of Maryland General Accounting Division's *Accounting Procedures Manual*. Specifically, we recommend that BCCC

a. record mail collections immediately upon receipt;
b. ensure collections are properly secured prior to deposit;
c. document the transfer of funds to the bank courier;
d. perform an independent documented verification to ensure all collections received were deposited; and
e. conduct documented investigations of all chargebacks, including those noted above, and take appropriate corrective action.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 9a	Agree	**Estimated Completion Date:**	09/30/2026
Please provide details of corrective action or explain disagreement.	While mail collections were recorded, the supporting logs were not consistently retained in a centralized, controlled manner, resulting in gaps in documentation and audit trail. To address this matter, BCCC is implementing strengthened procedures requiring that all mail collections are recorded immediately upon receipt using standardized logs that are maintained in a secure, centralized location with appropriate backup and retention controls. In addition, the Controller's Office will establish requirements for documentation retention and supervisory review of mail collection logs to ensure completeness, accuracy, and accountability. Periodic monitoring will be conducted to confirm that collections are consistently recorded and supported in accordance with Comptroller requirements.		

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Recommendation 9b	Agree	**Estimated Completion Date:**	06/30/2026
Please provide details of corrective action or explain disagreement.	The Office of Student Accounts is implementing a formal Standard Operating Procedure (SOP) to ensure secure access controls. The SOP defines roles and responsibilities for mandatory procedures and access controls. We are implementing strengthened internal controls to ensure all funds are properly secured from the point of receipt through courier pick-up. This includes standardized safe procedures, restricted-access storage, dual-custody handling, and documented chain-of-custody protocols. These measures will ensure collections remain protected and fully compliant with State requirements. Staff were trained on the SOP upon implementation, and management conducts ongoing oversight and periodic reviews to ensure continued compliance and effectiveness of access control measures.		
Recommendation 9c	Agree	**Estimated Completion Date:**	09/30/2026
Please provide details of corrective action or explain disagreement.	BCCC is implementing a documented chain-of-custody process requiring dual signatures for all courier transfers and retention of courier receipts in the deposit file. Couriers are required to sign for pick-up with documented cash count to ensure accurate reconciliation. Independent review of the courier pick-up logs is being implemented to fully reconcile with the Controller's Office to ensure accuracy.		
Recommendation 9d	Agree	**Estimated Completion Date:**	09/30/2026
Please provide details of corrective action or explain disagreement.	An independent reviewer will verify that all collections logged are deposited in full and on time. Verification is documented and retained with deposit packets. The Office of Student Accounts and the Controller's Office will perform independently, documented verification that all collections received were deposited by implementing a coordinated reconciliation process. The Office of Student Accounts documents all collections received through daily collection logs, system reports, and receipt records.		

	The Controller's Office, independent of the collection function, verifies that these recorded collections were deposited by reconciling collection reports to bank deposit confirmations and bank statements. Differences are investigated and resolved in a timely manner, and evidence of review and approval is documented. This separation of duties and documented reconciliation process provides assurance that all collections received are accurately and completely deposited.		
Recommendation 9e	Agree	**Estimated Completion Date:**	11/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will formalize chargeback investigation procedures requiring documentation of root cause, corrective action, and communication with affected departments. The College is prepared to address each chargeback on an individual basis, and each instance requires independent research. Research items include, but are not limited to: root-cause, investigation, and resolution.		

Finding 10
BCCC did not take sufficient action when it identified missing collections resulting in the failure to identify, investigate, and pursue an additional $23,000 in missing funds.

We recommend that BCCC

a. take sufficient actions when it becomes aware of questionable activity,
b. consult with the OAG before taking any actions related to the missing collections noted above, and
c. ensure any future instances of possible criminal or unethical conduct are referred to the appropriate entities in accordance with the aforementioned Executive Order.

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 10a	Agree	**Estimated Completion Date:**	06/30/2026

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Please provide details of corrective action or explain disagreement.	BCCC will implement an escalation protocol requiring immediate notification of supervisors and Public Safety when questionable activity is identified. All incidents are documented and reviewed by the CFO and the President.		
Recommendation 10b	Agree	**Estimated Completion Date:**	08/31/2026
Please provide details of corrective action or explain disagreement.	There will be Standard Operating Procedures (SOP) implemented to address missing documents prior to the escalation of submission to the Office of Attorney General.		
Recommendation 10c	Agree	**Estimated Completion Date:**	09/30/2026
Please provide details of corrective action or explain disagreement.	BCCC will align referral procedures with State law, ensuring timely reporting to appropriate authorities. BCCC will establish a SOP regarding potential instances of theft, inclusive but not limited to: referral to OAG; contact to local law enforcement, and/or immediate dismissal of current role.		

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Corporate Purchasing Cards

Finding 11
BCCC did not have adequate controls over corporate purchasing card (CPC) activity.

We recommend that BCCC comply with the aforementioned *Manual* and

a. perform a documented independent supervisory review for the propriety of all CPC transactions,
b. verify goods and services paid for were received and supported, and
c. ensure supervisors use available Level-3 data as part of the monthly review to aid in the assessment of the propriety of purchases and payments.

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<tr><th colspan="4">Agency Response</th></tr>
<tr><td>Analysis</td><td colspan="3"></td></tr>
<tr><td>Please provide additional comments as deemed necessary.</td><td colspan="3"></td></tr>
<tr><td>Recommendation 11a</td><td>Agree</td><td>Estimated Completion Date:</td><td>08/31/2026</td></tr>
<tr><td>Please provide details of corrective action or explain disagreement.</td><td colspan="3">BCCC is reinforcing requirements for monthly independent review and approval of all CPC transactions by Authorized Reviewers and Fiscal Officers. This includes required signing and dating of CPC activity logs and monthly statements to certify the propriety of purchases and the accuracy of reconciliations.</td></tr>
<tr><td>Recommendation 11b</td><td>Agree</td><td>Estimated Completion Date:</td><td>06/30/2026</td></tr>
<tr><td>Please provide details of corrective action or explain disagreement.</td><td colspan="3">BCCC will require documented receipt verification before CPC payments are approved.

A formal SOP is being developed that requires supervisors to validate goods/services that match the specific transactions. BCCC has strengthened procedures requiring cardholders to submit itemized receipts and appropriate supporting documentation, such as packing slips, delivery confirmations, and/or service completion records, for all CPC transactions.</td></tr>
</table>

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	In addition, newly implemented, CPC holders are required to indicate on their monthly reconciliation to indicate each receipt of good/service for each transaction. As part of the review process, the Controller's Office staff will verify that documentation confirming receipt of goods or services is present prior to reconciliation and approval. Transactions lacking adequate supporting documentation will not be approved until required evidence is provided.		
Recommendation 11c	Agree	**Estimated Completion Date:**	06/30/2026
Please provide details of corrective action or explain disagreement.	PCPA's will incorporate Level-3 merchant data into monthly CPC reviews to identify unusual or unsupported purchases. All merchant data is incorporated into the monthly review process.		

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Information Systems Security and Control

The Office of Legislative Audits (OLA) has determined that the Information Systems Security and Control section, including Findings 12 through 15 related to "cybersecurity," as defined by the State Finance and Procurement Article, Section 3.5-301(c) of the Annotated Code of Maryland, and therefore are subject to redaction from the publicly available audit report in accordance with the State Government Article 2-1224(i). Although the specifics of the following findings, including the analysis, related recommendations, along with BCCC's responses, have been redacted from this report copy, BCCC's responses indicated agreement with the findings and related recommendations.

Finding 12
Redacted cybersecurity-related finding.

Agency Response has been redacted by OLA.

Finding 13
Redacted cybersecurity-related finding.

Agency Response has been redacted by OLA.

Finding 14
Redacted cybersecurity-related finding.

Agency Response has been redacted by OLA.

Finding 15
Redacted cybersecurity-related finding.

Agency Response has been redacted by OLA.

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Equipment

Finding 16 **BCCC did not conduct required physical inventories of its equipment and wrote off missing equipment valued at approximately $20.1 million without performing an investigation or obtaining approval from the Department of General Services (DGS), as required.**

We recommend that BCCC

a. **conduct timely periodic documented physical inventories of equipment (repeat);**
b. **ensure that the results are investigated and reconciled to the detail inventory records (repeat); and**
c. **obtain DGS approval prior to removing missing items from its inventory records, including those noted above.**

Agency Response			
Analysis			
Please provide additional comments as deemed necessary.			
Recommendation 16a	Agree	**Estimated Completion Date:**	06/30/2027
Please provide details of corrective action or explain disagreement.	BCCC will resume annual physical inventories of equipment with documented results and supervisory review. Periodic physical inventories of sensitive equipment (e.g., laptops, desktops, tablets, and other technology assets) will be conducted. Inventory schedules will be established in advance and formally approved by management to ensure accountability and timely completion. Detailed written procedures will be developed outlining inventory methodologies, documentation standards, reconciliation steps, and retention requirements. To ensure sustainability, BCCC will assign clear ownership and responsibility for inventory management. Management will also explore the use of inventory software tools, barcode scanning, and departmental certifications to improve inventory accuracy and efficiency. Progress and		

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	completion of inventories will be monitored through documented status reports submitted to senior management.		
Recommendation 16b	Agree	**Estimated Completion Date:**	06/30/2027
Please provide details of corrective action or explain disagreement.	BCCC will strengthen post-inventory controls by implementing formal investigation and reconciliation procedures for all inventory discrepancies. These procedures will require that: • All missing, unaccounted-for, or location-variant assets are individually reviewed and investigated; • Departments with custody responsibility are required to provide written explanations or supporting documentation; and • Investigative outcomes are documented, reviewed, and approved by management. Reconciliations will include a detailed comparison of physical inventory results to fixed asset records, with discrepancies tracked through completion. Sensitive items will receive heightened scrutiny, including escalation of unresolved discrepancies to senior management and, where applicable, referral to appropriate authorities. Inventory reconciliation reports will be retained and periodically reviewed to monitor trends and identify control weaknesses.		
Recommendation 16c	Agree	**Estimated Completion Date:**	06/30/2027
Please provide details of corrective action or explain disagreement.	BCCC will require DGS approval before removing missing or unaccounted-for items from inventory records. BCCC will formalize procedures to ensure that no equipment is removed from inventory records without prior documented approval from DGS, as required by the Inventory Control Manual. Disposal, write-off, or removal requests will be supported by complete documentation, including inventory investigation results and justification for removal, and submitted to DGS for approval before processing. Asset management staff will receive refresher training on DGS requirements, approval protocols, and documentation standards. Management will also establish a review and approval checkpoint within the inventory process to prevent unauthorized removals and ensure compliance prior to any updates to asset records.		

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