



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

June 30, 2008

Dr. Martin H. Nadelman, President
Alamance Community College
P.O. Box 8000
Graham, North Carolina 27253

Dear Dr. Nadelman:

Enclosed is the final audit report of findings from the recent audit conducted at Alamance Community College. The college response dated June 19, 2008, concurred with these findings. Therefore, there is one audit exception noted for the processes, procedures, classes, and programs reviewed.

Thank you for cooperating with the System Office Audit Services staff during the performance of the audit.

Sincerely,

Fred G. Williams
Executive Vice President

Enclosure

- c: Dr. Samuel C. Powell, Chair, Board of Trustees
Ms. Hilda Pinnix-Ragland, Chair, State Board of Community Colleges
Members, State Board of Community Colleges
Dr. R. Scott Ralls, System President
Mr. Leslie W. Merritt, Jr., State Auditor
Ms. Jennifer Haygood, Fiscal Analyst
Mr. David McCoy, State Budget Officer
Community College Presidents
Mr. David Cheek, Alamance Community College, Chief Financial Officer
System Office Vice Presidents

North Carolina Community College System

Audit Findings for Alamance Community College Spring Semester 2006 – Spring Semester 2007

An audit was conducted at Alamance Community College by the System Office Audit Services staff on the maintenance of records and the reporting of student membership hours as well as certain college procedures for Spring Semester 2006 through Spring Semester 2007. The audit was conducted to review selected class reports for this period. If disagreement exists, the college may appeal the audit findings to the State Board of Community Colleges. This appeal must be submitted in writing within thirty days of receipt of the final audit report. The Board's Accountability and Audit Committee will hear the appeal and make its recommendation to the Board.

The scope of the audit included a pre-audit review of selected records pulled from the Institution Class Reports (ICR), programs, policies, and procedures for the period covered by the audit. Based on the pre-audit review, certain class reports were identified for further study. The following audit tests were conducted regarding the ICRs: (1) a statistically valid sample of attendance records and supporting documentation for student membership hour reporting was reviewed; (2) student registration and student receipt information were reviewed for selected programs; (3) college personnel were interviewed regarding student reporting; (4) certain college reporting procedures and practices were reviewed to assure compliance with the North Carolina Administrative Code; (5) selected program classification reviews and class visits were conducted; and (6) the college's accountability and credibility plan was reviewed.

Class visits are conducted on a random basis throughout the year, and a summary of these visits will be forwarded to the college at the end of the fiscal year. If concerns are noted which result from these visits, the college will be immediately notified. Program reviews/class visits conducted for the current fiscal year to date are listed in Attachment Number Two.

Based on the site review, one audit exception was noted and is discussed below.

EXCEPTION

During a review of curriculum course offerings, a number of errors were noted which resulted in 6,249 student membership hours incorrectly reported for budget/FTE. The errors are summarized below:

- CC03-185 *Community College System Calendar*, states, in pertinent part, "...if a given course is scheduled to meet during multiple academic terms the following applies:...For courses that report membership hours, if a course is scheduled to meet during all three terms

the FTE may be reported in the fall or spring term provided 70% or more of the course meeting dates are scheduled in a combination of fall and spring terms. The FTE must be reported in the term the census date occurs.”

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (a) “Academic Semester. The academic semester for all credit courses shall be designed so that all classes may be scheduled to include the number of instructional hours shown in the college catalog and the approved curriculum program of study compliance document and reported for FTE purposes (see 23 NCAC 02E .0201(a) and 23 NCAC 02D .0301(a)(3)). Instructional hours include scheduled class and laboratory sessions as well as examination sessions. Length of semesters or courses may vary as long as credit hours are assigned consistent with 23 NCAC 01A .0101 and as long as membership hours are reported consistent with the other provisions of this Rule. Also, note 23 NCAC 02D .0327 which identifies the reporting periods for submission of Institution Class Reports.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	CJC 100 01V	Basic Law Enforcement	3,975

CJC 100 01V, Basic Law Enforcement Training, was offered beginning Spring Semester 2007 and ending Fall Semester 2007. Course scheduling did not comply with CC03-185 *Community College System Calendar*, as 49% of the course meeting dates were scheduled in Summer Semester 2007. Therefore, 51% rather than 70% of the course was offered Spring / Fall 2007, resulting in overreporting 3,975 hours.

- Title 23 NCAC 02D .0202 *Tuition and Fees for Curriculum Programs*, states, in pertinent part, (a)(7) “Tuition Waivers: (C) Basic Law Enforcement Training Program (BLET) for law enforcement officers. All law enforcement officers employed by a municipal, county, state, or federal law enforcement agency when taking courses in a state-mandated BLET training program, are exempt from tuition payment. Also, trainees shall be exempt from BLET class tuition if a letter of sponsorship from a state, county, or municipal law enforcement agency is on file at the college.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	CJC 100 01V	Basic Law Enforcement	1,872
Spring 2007	CJC 100 01V	Basic Law Enforcement	306

In a review of the Criminal Justice Certification Program, the following was noted: In CJC 100 01V, Fall 2006, three students enrolled and were fee waived based on sponsorship by private agencies which is not in compliance with Title 23 NCAC 02D .0202(a)(7)(C) (-1,872hrs).

In CJC 100 01V, Spring 2007, one student enrolled and was fee waived based on sponsorship by a private agency which is not in compliance with Title 23 NCAC 02D .0202(a)(7)(C) (-306hrs). Note: This course also had 3,975 hours excepted due to a calendar error. This error was noted in the previous reference, and 318 of the 624 hours initially reported for budget/FTE for the student were excepted as a part of this reference.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (b) “Regularly-Scheduled Classes. (2) A student shall be considered to be in class membership when the student meets all of the following criteria: ... (B) attended one or more classes prior to or on the 10 percent point in the class...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	BIO 110 01X	Principles of Biology	96

Twenty-two students were reported for budget/FTE when 21 students were enrolled at the 10% point.

Recommendation: An audit exception is taken to 6,249 student membership hours reported for budget/FTE for curriculum classes which did not meet reporting criteria outlined in *Title 23 of the North Carolina Administrative Code* and *Numbered Memorandum*. Staff should take the necessary steps to familiarize themselves with the aforementioned references to ensure the appropriate number of student membership hours are reported for budget/FTE.

Staff should review all records reported for student membership hours for budget/FTE since Spring 2007 and make any necessary adjustments.

The classes cited are listed below:

CURRICULUM

<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
CJC 100 01V	Spring 2007	8,112	4,137	3,975
CJC 100 01V	Fall 2006	7,488	5,616	1,872
CJC 100 01V	Spring 2007	8,112	7,806	306
BIO 110 01X	Spring 2007	2,112	2,016	<u>96</u>
Total Hours Excepted:				6,249

The cooperation of the president and staff during the course of the audit was appreciated.

SUBMITTED BY: Elizabeth C. Self
Audit Dates: April 23 – May 27, 2008

ATTACHMENT NUMBER ONE

**Alamance Community College
Financial Adjustment
FY 2006 - 2007**

A total of 6,249 curriculum hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Curriculum \$ Value \$4,746.30

Curriculum

Hours	/ 512 =	Curriculum FTE	Curriculum Value	Sub-Total Reversion
6,249	/ 512 =	12.21	\$4,746.30	<u>\$57,952.32</u>

25% Penalty Calculation

Hours	X 25% =	Curriculum Hours	/ 512 =	Curriculum FTE	Curriculum Value	Sub-Total Penalty
6,249	X 25% =	1562	/ 512 =	3.05	\$4,746.30	<u>\$14,476.22</u>

Sub-Total Reversion	\$57,952.32
Sub-Total Penalty	\$14,476.22
Total	<u>\$72,428.54</u>

The college should submit Form 104 to the System Office for \$72,429 to resolve the exception.

ATTACHMENT NUMBER TWO

Alamance Community College SUMMARY OF CLASS VISITS FOR FY 2007 – 2008

CURRICULUM

<u>Course Prefix and Number</u>	<u>Instructor</u>	<u>Location</u>	<u>Date of Visit</u>	<u>Students Enrolled</u>	<u>Attendance at Time of Visit</u>
BUS 115 02X	J. Waters	Main Campus	1/23/08	26	26
COS 112 61	K. Church	Burlington Center	1/23/08	16	11
HIS 151 649	B. Graves	River Mill Charter Schl	1/23/08	-	- *1
Total CURRICULUM Class Visits/Program Reviews to Date:					3

*1 No class – inclement weather day.

CONTINUING EDUCATION

<u>Course Prefix and Number</u>	<u>Instructor</u>	<u>Location</u>	<u>Date of Visit</u>	<u>Students Enrolled</u>	<u>Attendance at Time of Visit</u>
BSP 2000	S. French	Burlington Center	1/23/08	15	10
BSP 2000	L. Limon	Ebenezer Church	1/23/08	17	2
BSP 2000	B. Keech	1 st Baptist Church	1/23/08	8	12
BSP 2000	T. Wilkins	Burlington Center	1/23/08	8	4
BSP 2000	J. James	Burlington Center	1/23/08	9	7
BSP 2000	E. Kirkley	Burlington Center	1/23/08	15	15
CAS 3020	L. De Los Reyes	Burlington Center	1/23/08	13	12
CSP 3000	B. Wallace	Broad Street Center	1/23/08	11	10
CSP 3000	V.Chandler	Kernodle Sr Cntr	1/23/08	22	16
HRD 3005	V. Jeffries	Burlington Center	1/23/08	10	10
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10