



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

August 7, 2008

Ms. Lynne Bunch, President
College of The Albemarle
P.O. Box 2327
Elizabeth City, NC 27906

Dear Ms. Bunch:

Enclosed is the final audit report of findings from the recent audit conducted at College of The Albemarle. The college response dated July 15, 2008, provided supportive documentation which was incorporated into the report. Therefore, there is one audit exception and one area of concern 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: Mr. G. Matt Wood, 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. Jim Turdici, VP for Business & Finance, College of The Albemarle
System Office Vice Presidents

North Carolina Community College System

Audit Findings for College of The Albemarle Spring Semester 2006 - Spring Semester 2007

An audit was conducted at College of The Albemarle 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 and one area of concern were noted and are discussed below.

EXCEPTION

During a review of Basic Skills course offerings, a number of errors were noted which resulted in 1,112.5 student contact hours incorrectly reported for budget/FTE. The errors are summarized below:

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (b) "Non-Regularly Scheduled Classes. (3) Definition of Student Contact Hour. A student contact hour is one hour of student attendance in a class for which the student is in membership as defined in Subparagraph (b)(2) of this Rule. Sixty minutes shall constitute an hour. (4) Calculation of Student Contact Hours for Non-Regularly Scheduled Classes. For these classes, actual time of class attendance for each student determined to be in membership shall be reported. Sixty minutes shall constitute an hour. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester. (5) Maintenance of Records of Student Contact Hours. Accurate attendance records shall be maintained for each class. Attendance records shall be signed by the instructor or lead instructor, verifying their accuracy, and shall be maintained by the college until released from all audits as provided in the Public Records Retention and Disposition Schedule for Institutions in the Community College System. Student membership hours shall be summarized in the Institution Class Report and certified by the president or designee."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	BSP 2000 020	Basic Skills	140
Fall 2006	BSP 2000 703	Basic Skills	127
Fall 2006	BSP 2000 023	Basic Skills	98

Accurate attendance records were not maintained for the classes listed above; accurate attendance records of student contact hours could not be verified. In BSP 2000 020 and 703, no attendance roster was available for review. In BSP 2000 023 no attendance roster was available, but hours were documented for one student by work completed on an English for All computer program.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (b) "Non-Regularly Scheduled Classes. (3) Definition of Student Contact Hour. A student contact hour is one hour of student attendance in a class for which the student is in membership as defined in Subparagraph (b)(2) of this Rule. Sixty minutes shall constitute an hour. (4) Calculation of Student Contact Hours for Non-Regularly Scheduled Classes. For these classes, actual time of class attendance for each student determined to be in membership shall be reported. Sixty minutes shall constitute an hour. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester. (5) Maintenance of Records of Student Contact Hours. Accurate attendance records shall be maintained for each class. Attendance records shall be signed by the instructor or lead instructor, verifying their accuracy, and shall be

maintained by the college until released from all audits as provided in the Public Records Retention and Disposition Schedule for Institutions in the Community College System. Student membership hours shall be summarized in the Institution Class Report and certified by the president or designee.”

Title 23 NCAC 02D .0326 *Budget FTE Funding*, states, in pertinent part, (b) “Any class for which the instructor's services are provided at no cost or for which the instructional cost is paid totally and directly by an external agency is a "gratis" class. In this situation, the class is reported as self-supporting, and does not generate budget/FTE. If a portion of the class is gratis, student hours shall be prorated accordingly.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	BSP 2000 202	Basic Skills	73

Accurate attendance records were not maintained for this class; therefore, accurate attendance records of student contact hours could not be verified. The attendance roster was missing for the month of February 2006. The instructor was not paid for three days where contact hours were counted for budget/FTE. The total number of contact hours for some students was miscalculated.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	BSP 2000 204	Basic Skills	336

Accurate attendance records were not maintained for this class; therefore, accurate attendance records of student contact hours could not be verified. The attendance rosters were missing for the months of January and April 2006. The instructor was not paid for two days, but contact hours were counted for budget/FTE. The total number of contact hours for some students was miscalculated. One student who was counted for budget/FTE was not listed on the attendance roster. One student did not have a completed registration form for the class.

- Title 23 NCAC 02D .0326 *Budget FTE Funding*, states, in pertinent part, (b) “Any class for which the instructor's services are provided at no cost or for which the instructional cost is paid totally and directly by an external agency is a "gratis" class. In this situation, the class is reported as self-supporting, and does not generate budget/FTE. If a portion of the class is gratis, student hours shall be prorated accordingly.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	BSP 2000 016	Basic Skills	131

The instructor was paid for two hours for each class meeting; however, hours in excess of two hours were reported for budget/FTE.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Summer 2006	BSP 2000 004	Basic Skills	8

The instructor was not paid for one day; however, contact hours were reported for budget/FTE for this day.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	BSP 2000 701	Basic Skills	192

There was no instructor time sheet showing payment for the month of September 2006, but contact hours were reported for budget/FTE. The instructor was also not paid for November 13, 2006; however, hours were reported for budget/FTE.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	BSP 2000 203	Basic Skills	6
Fall 2006	BSP 2000 016	Basic Skills	1.5

The instructor was not paid for one day; however, contact hours were reported for budget/FTE for this day.

Recommendation: An audit exception is taken to 1,112.5 student contact hours for students who did not meet reporting criteria outlined in *Title 23 of the North Carolina Administrative Code*. Staff should take the necessary steps to familiarize themselves with the aforementioned references to ensure the appropriate number of hours are reported for budget/FTE.

Staff should review all records reported for student membership hours for budget/FTE since Fall 2006 and make any necessary adjustments.

The classes cited are listed below:

BASIC SKILLS

<u>Contract Number</u>	<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Exceeded</u>
BSP 2000	BSP 2000 020	Spring 2006	140	0	140
BSP 2000	BSP 2000 703	Fall 2006	127	0	127
BSP 2000	BSP 2000 023	Fall 2006	122	24	98
BSP 2000	BSP 2000 202	Spring 2006	413	340	73
BSP 2000	BSP 2000 204	Spring 2006	618	282	336
BSP 2000	BSP 2000 016	Spring 2006	197	66	131
BSP 2000	BSP 2000 004	Summer 2006	184	176	8
BSP 2000	BSP 2000 701	Fall 2006	705	513	192
BSP 2000	BSP 2000 203	Fall 2006	44	38	6
BSP 2000	BSP 2000 016	Fall 2006	10	8.5	<u>1.5</u>
Total Hours Exceeded:					1,112.5

In addition, there was one area of concern that merits the college’s attention. It is discussed below:

Concern

During a review of the continuing education course offerings, it was noted that the college failed to obtain student signatures on some registration forms.

- Numbered Memorandum CC00-147 *Revisions to Accountability and Credibility Plan for Continuing Education*, states, in pertinent part, 2. “The criteria for student membership verification was revised. Previously, student signatures were required to verify membership for every continuing education class. This policy was revised in order to allow other methods of membership verification only for classes that do not physically meet.”

The college’s Continuing Education Accountability and Credibility Plan II. Student Membership Verification a. states, in pertinent part, “Instructors will be responsible for inquiring as to whether each student has completed a registration form, paid a registration fee (unless exempted) and for writing the appropriate data on the class attendance form (roster) and affixing his/her own signature.

Recommendation: Staff should review the aforementioned numbered memorandum and the college's Continuing Education Accountability and Credibility Plan to ensure the appropriate number of student membership hours are reported for budget/FTE.

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

SUBMITTED BY: Amanda K. Tolar
Audit Dates: February 18 – March 4, 2008

ATTACHMENT NUMBER ONE

**College of The Albemarle
Financial Adjustment
FY 2006 - 2007**

A total of 1,112.5 Basic Skills hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Literacy \$ Value \$5,250.68

Basic Skills

Hours	/ 688=	Basic Skills FTE	Basic Skills Value	Sub-Total Reversion
1,112.5	/ 688=	1.62	\$5,250.68	<u>\$8,506.10</u>

25% Penalty Calculation

Hours	X 25% =	Basic Skills Hours	/ 688 =	Basic Skills FTE	Basic Skills Value	Sub-Total Penalty
1,112.5	X 25% =	278	/ 688 =	.40	\$5,250.68	<u>\$2,100.27</u>

Sub-Total Reversion	\$ 8,506.10
Sub-Total Penalty	\$ 2,100.27
Total	<u>\$10,606.37</u>

The college should submit Form 104 to the System Office for \$10,606 to resolve the exception.

ATTACHMENT NUMBER TWO

**College of The Albemarle
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>
CUL 170-W	Eddins	Edenton Chowan	1/15/08	10	10
ENG 080-W	Waters	Edenton Chowan	1/15/08	11	11
FST 107P	Betts	PCI	1/15/08	18	18
MAT 272A	Aldridge	Dare Campus	1/16/08	4	<u>2</u>
Total CURRICULUM Class Visits/Program Reviews to Date:					4

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 8315	Wallis	Edenton Chowan	1/15/08	23	14
BSP 2000 8320	Harrison	Dare Campus	1/16/08	50	8
BSP 2000 8325	Gundersen	Driftwood	1/16/08	27	11
BSP 2000 8320	Harrison	Dare Campus	1/16/08	13	11
BSP 2000 8339	Morgan	PCI	1/15/08	38	16
BSP 2000 3833	Hepworth	PCI	1/15/08	14	6
BSP 2000	Woolston	PCI	1/15/08	17	7
BSP 2000 8337	Manning	PCI	1/15/08	18	13
EMS 3095	Hall	Main Campus	1/15/08	10	10
NUR 3240	Hudgins	Edenton Chowan	1/15/08	8	<u>8</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10