



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

H. Martin Lancaster, President

April 18, 2008

Dr. Myra Johnson, President
Isothermal Community College
286 ICC Loop Road
Spindale, NC 28160

Dear Dr. Johnson:

Enclosed is the final audit report of findings from the recent audit conducted at Isothermal Community College. The college response dated February 6, 2008, provided supportive documentation which was incorporated into the report. Therefore, one audit exception and two areas of concern are 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. Warren J. Carson, Chair, Board of Trustees
- Ms. Hilda Pinnix-Ragland, Chair, State Board of Community Colleges
- Members, State Board of Community Colleges
- Mr. H. Martin Lancaster, System President
- Mr. Leslie W. Merritt, Jr., State Auditor
- Ms. Jennifer Haygood, Fiscal Analyst
- Mr. David McCoy, State Budget Officer
- Community College Presidents
- Mr. Stephen Matheny, Chief Financial Officer, Isothermal Community College
- System Office Vice Presidents

North Carolina Community College System

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

An audit was conducted at Isothermal 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 Audit and Accountability 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 two areas of concern were noted and are discussed below.

EXCEPTION

During a review of continuing education course offerings, a number of errors were noted which resulted in 1,090.5 student membership 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, (a)(2) "Definition of Student Membership. A student is considered to be in class membership when the student meets all of the following criteria....

- B) Attended one or more classes held prior to or on the 10 percent point in the class; and
(C) Has not withdrawn or dropped the class prior to or on the 10 percent point of the class.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	FIP 3310	Ladders Level 1 & II	12
Summer 2006	EDU 3001	Multi-Sensory	20
Summer 2006	NUR 3240	Nurse Aid I	168
Fall 2006	CAS 3070	Introduction to QuickBooks	12
Fall 2006	FIP 4001	Intro to Wildland Fire Behav	18

Student membership hours were incorrectly reported for six students due to the lack of time record documentation to support student enrollment and activity in co-op work experience courses.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (a)(3) “Student Membership Hour...A college shall not report more hours per student than the number of class hours scheduled in official college documents...and (a)(4) Calculation of Student Membership Hours for Regularly Scheduled Classes. Student membership hours are obtained by multiplying the number of students in membership at the 10 percent point in the class by the total number of hours the class is scheduled to meet as stated in official college documents.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Summer 2006	SAF 3032	Healthcare Provider	13
Fall 2006	ITN 3000	Creating Web pages	4

Student membership hours were incorrectly reported for two Occupational Extension classes due to the miscalculation of the actual instructional hours documented on the class attendance rosters.

Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (a)(3) “Student Membership Hour...Colleges shall not report more hours per student than the number of hours specified in the instructor's contract.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	TRA 3607	Pro Truck Driving	57
Fall 2006	EMS 3050	EMS Operations	462
Fall 2006	EMS 3050	BLS Pediatrics I	330

Student membership hours were incorrectly reported for budget/FTE in excess of contracted instructional hours.

- 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	CJC 3952	Methamphetamine Awareness	56
Spring 2006	CJC 3952	Driver Training	40
Spring 2006	CJC 3952	Driver Training	30

Student membership hours were incorrectly reported for budget/FTE for three Occupational Extension classes due to gratis instruction.

- CC02-031 *Notification of Projected Removal of PRE 3701 from the Master Course List (MCL)*, states, in pertinent part, “As a result of the reorganization of the Human Resources Development (HRD) program and subsequent State Board approval of six new HRD courses for placement on the MCL, the HRD Advisory Task Force recommended the withdrawal of PRE 3701, Employment Readiness, from the Continuing Education Master Course List (MCL). The Continuing Education Peer Review Team concurred that PRE 3701 is a duplication of the new HRD courses and should be removed from the currently approved list and archived. Therefore, effective June 30, 2002, PRE 3701 will no longer be an approved MCL course.”

Continuing Education Guidelines, page 14, *Procedures for Course Approval*, states, in pertinent part, “Following approval of the course by the college President and the college Senior Continuing Education Administrator, and the entering of the course information into

the Continuing Education Pending course Data Base by the college, the college may offer the course as needed for a period of ninety (90) days. In the IIPS system this ninety (90) days will begin on the day on which the college runs the process that sends the course to the System Office – this process updates the course with an “AR” status and “AR” date. In the NCCCS Administrative Information Systems Project the ninety (90) days will begin on the date the course is actually entered in the Combined Course Library System.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	PRE 3702	Ethics and Choices	140
Summer 2006	PRE 3702	Ethics and Choices	86

Student membership hours were incorrectly reported for two classes due to the use of a non-approved course prefix and number.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (a)(2) “Definition of Student Membership. A student is considered to be in class membership when the student meets all of the following criteria: (A) Enrolled as evidenced by payment of the applicable registration fees, or obtained a waiver as defined in Paragraph (a) of Rule .0203 of this Subchapter; (B) Attended one or more classes held prior to or on the 10 percent point in the class; and (C) Has not withdrawn or dropped the class prior to or on the 10 percent point of the class.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	MLS 3801	Leadership Series 21	+38
Summer 2006	CJC 3925	Firearms In-Service	+28
Summer 2006	EMS 3050	BLS Pre-hospital I	+3
Summer 2006	HRD 3005	Keyboarding Skills	+198
Fall 2006	EMS 3050	BLS Patient Assessment I	+3
Fall 2006	FIP 5508	RT VMR Incident Planning	+37.5
Fall 2006	HRD 3001	Survival Skills for Youth	+50

Student membership hours were incorrectly calculated and reported for budget/FTE for seven classes. Class documentation as outlined in the North Carolina Administrative Code supports the additional hours earned but not reported on the Institution’s Class Report (ICR).

Recommendation: An exception is taken to 1090.5 student membership hours for students who did not meet reporting criteria outlined in Title 23 of the North Carolina Administrative Code, numbered memorandum, and the Continuing Education Guidelines. 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 Fall 2006 and make any necessary adjustments.

The classes cited are listed below:

CONTINUING EDUCATION

<u>Contract Number</u>	<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
0540088	FIP 3310	Spring 06	132	120	12
MULTSEN	EDU 3001	Summer 06	200	180	20
0540168	NUR 3240	Summer 06	2,352	2,184	168
QUIKBOOK	CAS 3070	Fall 06	72	60	12
FIREIWILD	FIP 4001	Fall 06	108	90	18
CPRPHCPB	SAF 3032	Summer 06	130	117	13
WEBSPAGE	ITN 3000	Fall 06	120	116	4
0539542	TRA 3607	Spring 06	765	708	57
EMTBEMS	EMS 3050	Fall 06	504	42	462
EMTBLS	EMS 3050	Fall 06	360	30	330
0540120	CJC 3952	Spring 06	56	0	56
0540274	CJC 3952	Spring 06	40	0	40
0540275	CJC 3952	Spring 06	30	0	30
0539417	PRE 3702	Spring 06	140	0	140
0540239	PRE 3702	Summer 06	86	0	86
0539392	MLS 3601	Spring 06	304	342	+38
CJCPFARM	CJC 3925	Summer 06	322	350	+28
EMTBLS	EMS 3050	Summer 06	27	30	+3
KEYBSKILL	HRD 3005	Summer 06	198	396	+198
EMTBLS	EMS 3050	Fall 06	30	33	+3
FIREVMRIP	FIP 5508	Fall 06	90	127.5	+37.5
HRD1SURS	HRD 3001	Fall 06	810	860	+50
Total Hours Excepted:					1090.5

In addition to the audit exception, two areas of concern were noted and are discussed below.

Concern Number One

During a review of curriculum course offerings, it was noted that one student in COE 111 01, Summer 2006, entered the course and was reported on the Institution's Class Report (ICR) while in a program of study not approved for a cooperative work experience. This is addressed as a preliminary concern since the college did not receive funding for student membership hours for summer courses.

- Title 23 NCAC 2D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (f) Curriculum Student Work Experience and Clinical Practice. (1) Student membership hours for student work experience and clinical practice shall not generate budget/FTE without prior approval by the System Office for such activities through the appropriate curriculum standard."

Recommendation: An audit concern is taken to one student who entered COE 111 01 Summer 2006 while in a non-approved program of study. 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 Fall 2006 and make any necessary adjustments.

Concern Number Two

During a review of continuing education courses, it was noted that the required class visitation percentages as mandated by the Accountability and Credibility Plan were not met.

- In Appendix B, *Accountability and Credibility Plan: Criteria for Accountability and Credibility, Continuing Education*, of the *Continuing Education Guidelines* states, in pertinent part,

"1. On-site visits to each class

- A. The instructor's supervisor, or a designated representative as approved in writing by the senior continuing education administrator, will make at least one visit each quarter to fifty (50) percent of all off-campus and distance education (defined in C below) continuing education classes (excluding self-supported and community service classes) and will maintain written documentation for such visits.

- (1) Classes which meet 12 hours or less may be excluded from a visit by the college representative.
 - (2) Twenty-five (25) percent of the on-campus classes require visitation and documentation as noted above.
- B. The senior continuing education administrator will visit a ten (10) percent sample of randomly selected off-campus and distance education continuing education classes each quarter with no prenotification of these visits and will maintain written documentation of such visits. The senior continuing education administrator may delegate this visitation requirement to an appropriate upper level administrator/supervisor, provided the delegation is approved in writing by the college president. Registration periods may not be considered as one of the senior continuing education administrator's unannounced class visits.
- C. An off-campus class is defined as any class not held in college owned or leased property or held in a center which is not under the supervision of a resident supervisor or director who is on-site during the entire period the instruction is taking place. A distance education class is defined as a class that is offered through distance education technology (including information highway, internet, and telecourses) and which does not physically meet on campus for at least half of the time scheduled. For internet courses for which it is not possible to physically visit the class, visitation should be conducted electronically, using a system that allows the instructor's supervisor and senior continuing education officers to log on and check the activity in the class. System Office Program Auditors must also have access to this system so that they may do unannounced class visits for these classes as well."

Recommendation: An audit concern is taken due to the lack of documented class visitation percentages as mandated by the Accountability and Credibility Plan. Staff should review Appendix B, Accountability and Credibility Plan: Criteria for Accountability and Credibility, Continuing Education, of the Continuing Education Guidelines to ensure compliance with current policy and procedures.

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

SUBMITTED BY: Elizabeth C. Self
Audit Dates: October 15 - October 30, 2007

ATTACHMENT NUMBER ONE

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

A total of 1090.5 Continuing Education hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Continuing Education \$ Value \$4,133.06

Continuing Education

Hours	/ 688 =	Continuing Education FTE	Continuing Education FTE	Sub-Total Reversion
1,090.5	/ 688 =	1.59	\$4,133.06	<u>\$6,571.57</u>

25% Penalty Calculation

Hours	X 25% =	Continuing Education Hours	/ 688 =	Continuing Education FTE	Continuing Education Value	Sub-Total Penalty
1,090.5	X 25% =	272.63	/ 688 =	.40	\$4,133.06	<u>\$1,653.22</u>

Sub-Total Reversion	\$6,571.57
Sub-Total Penalty	<u>\$1,653.22</u>
Total	<u>\$8,224.79</u>

The college should submit Form 104 to the System Office for \$8,225 to resolve the exception.

ATTACHMENT NUMBER TWO

**Isothermal 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>
COS 112-100	Hightower	PED 24	10/25/07	16	11
MAC 111-100	Hutchins	MAC 16	10/25/07	4	2
NUR 135-100	Duncan/Smith	AS 6	10/25/07	19	<u>8</u>
Total CURRICULUM Class Visits/Program Reviews to Date:					3

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	Govus	Oak	10/25/07	149	12
BSP 2000	Govus	Polk	10/29/07	25	9
BSP 2000	Laughter	Pine	10/25/07	30	12
BSP P2000	Masey	RCC	10/29/07	9	9
CAS 3020	Hanser	Willow	10/25/07	15	8
CSC 3110	Beaver	Ed2Go	10/30/07	3	3
CSP 4000	Beaver	Ed2Go	10/30/07	2	2
CSP 4000	Michel	Polk	10/29/07	11	9
EMS 3031	Shires	Cedar	10/25/07	12	12
FIP 3107	Hamrick	B6 116B	10/29/07	2	2
FIP 3325	Mosely	Cliffside VFD	10/29/07	27	<u>13</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					11