



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Dr. R. Scott Ralls, President

June 20, 2008

Dr. Donald Reichard, President
Johnston Community College
245 College Road
Smithfield, NC 27577

Dear Dr. Reichard:

Enclosed is the final audit report of findings from the recent audit conducted at Johnston Community College. The college response dated June 5, 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: Ms. Lyn Austin, 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. Herman Kight, Chief Financial Officer, Johnston Community College
System Office Vice Presidents

North Carolina Community College System

Audit Findings for Johnston Community College Spring Semester 2006 - Spring Semester 2007

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

EXCEPTION

During a review of curriculum course offerings, a number of errors were noted which resulted in 972 student membership hours incorrectly reported for budget/FTE. The errors are summarized below:

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes* (f)(2)(C) Work Experience, states, "The college shall maintain documentation of all student work experience hours."

Curriculum Procedures Reference Manual, Section 20, Cooperative Education (Work Experience), Reporting Co-op Hours for Budget FTE, 1. Membership Hours, states, "Students enroll in a co-op class and colleges report the hours the same as any other course. If the college elects to report the co-op hours as membership hours, the student must actually begin the work experience activity. In situations where the student attends a co-op orientation meeting, but never participates in the work experience activity, the college shall not report any hours for budget FTE."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	COE 112BA 51	Co-Op Work Experience I	320

Student membership hours were incorrectly reported for one student, as there was no documentation that the student actually participated in the work experience.

- *Curriculum Procedures Reference Manual, Section 20, Cooperative Education (Work Experience), Curriculum Program Restrictions, states, in pertinent part, "A student must be enrolled in a curriculum program to participate in a cooperative work experience activity. A curriculum student cannot be "tuition exempted." Students in the following academic codes may not participate in co-op:...*
Special Credit Student (T90990)
Associate in General Education Student (A10300)..."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	COE 111LSG 01	Co-op Work Experience I	320
Spring 2007	COE 112BA J51	Co-op Work Experience I	320

In COE 111LS 01 student membership hours were incorrectly reported for one student coded as a Special Credit Student (T90990) and one student coded as General Education (A10300). In COE 112BA J51 student membership hours were incorrectly reported for one student coded as a Special Credit Student (T90990).

- *General Statute 115D-5(c1), states, in pertinent part, "Community colleges shall report full-time equivalent (FTE) student hours for correction education programs on the basis of contact hours rather than student membership hours. No community college shall operate a multi-entry/multi-exit class or program in a prison facility, except for a literacy class or program..."*

Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (c) “Non-Regularly Scheduled Classes (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. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester, and shall not exceed the hours in the approved curriculum program of study compliance document...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	COS P222 P51	Manicure/Nail Tech.	41
Fall 2006	ELC P114 P1	Basic Wiring I	112
Fall 2006	MAS P140 P1	Introduction to Masonry	60
Spring 2007	AHR P111 P1	HVACR Electricity	3
Spring 2007	FST P103 P1	Safety and Sanitation	2
Spring 2007	OST P080 P1	Basic Keyboarding	+40
Spring 2007	OST P164 P1	Text Editing	+54

Student contact hours were miscalculated for these captive co-opted classes.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes* (b) Regularly-Scheduled Classes, states, in pertinent part, (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; (C) has not withdrawn or dropped the class prior to or on the 10 percent point.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	CJC 112 HCA	Criminology	+48
Fall 2006	COS 114 01	Salon II	+384
Fall 2006	GEL 111 I1	Introductory Geology	+80
Fall 2006	MAT 172 01	Precalculus	+48
Fall 2006	POL 110 I2	Introduction to Political Science	+48

Student membership hours were underreported for these classes due to miscalculation of total students enrolled in the class at the 10 percent point.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	ACA 111 06	College Student Success	16
Fall 2006	BUS 110 I3	Introduction to Business	48
Fall 2006	CJC 131 01	Criminal Law	96

Student membership hours were over-reported for budget/FTE due to miscalculation of total students enrolled in the class at the 10 percent point.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	EDU 221 51	Children with Exceptionalities	48

Student membership hours were over-reported for budget/FTE by one student who withdrew from the class prior to the 10 percent point.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	REL 221 51	Religion in America	96
Spring 2007	WLD 112 51	Basic Welding	192

Student membership hours were over-reported for budget/FTE for students who entered after the 10 percent point of the class.

Recommendation: An audit exception is taken to 972 student membership hours for students who did not meet reporting criteria outlined in *North Carolina General Statutes, Title 23 of the North Carolina Administrative Code, Numbered Memorandum*, and the *Curriculum Procedures Reference Manual*. 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:

CURRICULUM

<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
COE 112BA 51	Fall 2006	1,280	960	320
COE 111LSG 01	Spring 2007	480	160	320
COE 112BA J51	Spring 2007	3,520	3,200	320
COS P222 P51	Fall 2006	1,813	1,772	41
ELC P114 P1	Fall 2006	2,410	2,298	112
MAS P140 P1	Fall 2006	816	756	60
AHR P111 P1	Spring 2007	1,216	1,213	3
FST P103 P1	Spring 2007	1,238	1,236	2
OST P080 P1	Spring 2007	773	813	+40
OST P164 P1	Spring 2007	666	720	+54
CJC 112 HCA	Fall 2006	912	960	+48
COS 114 01	Fall 2006	5,376	5,760	+384
GEL 111 I1	Fall 2006	1,760	1,840	+80
MAT 172 01	Fall 2006	480	528	+48
POL 110 I2	Fall 2006	1,008	1,056	+48
ACA 111 06	Fall 2006	432	416	16
BUS 110 I3	Fall 2006	1,104	1,056	48
CJC 131 01	Fall 2006	1,152	1,056	96
EDU 221 51	Spring 2007	960	912	48
REL 221 51	Spring 2007	816	720	96
WLD 112 51	Spring 2007	1,024	832	<u>192</u>
Total Hours Excepted:				972

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

Concern

During a review of the curriculum course offerings, it was noted that the college maintains only the curriculum ten percent attendance rosters. The curriculum final attendance rosters on which grades are recorded were unavailable for review because the college had destroyed the records.

- Title 23 NCAC 02D .0323, *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (b) “Regularly-Scheduled Classes. (5) Maintenance of Records of Student Membership Hours. Accurate attendance records shall be maintained for each class through the 10 percent point of the 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 (see the Public Records Retention & Disposition Schedule for Institutions in the Community College System). . . .”

Records Retention and Disposition Schedule Amendment, states, in pertinent part, “**Item 45552. Grade Reports File**, Lists of students' grades submitted by instructors to registrar for each class taught. File also includes instructor's copy of grade slips when lists are not made. (Comply with applicable provisions of 20 USCA 1232g regarding confidentiality of student records.) DISPOSITION INSTRUCTIONS: Destroy in office after 3 year(s) if no litigation, claim, audit, or other official action involving the records has been initiated. If official action has been initiated, destroy in office after completion of action and resolution of issues involved.”

Recommendation: Staff should review the aforementioned administrative code and numbered memorandum to ensure the appropriate number of student membership hours are reported for budget/FTE.

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

ATTACHMENT NUMBER ONE

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

A total of 972 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
972	/ 512 =	1.9	\$4,746.30	<u>\$9,017.97</u>

25% Penalty Calculation

Hours	X 25% =	Curriculum Hours	/ 512 =	Curriculum FTE	Curriculum Value	Sub-Total Penalty
972	X 25% =	243	/ 512 =	.47	\$4,746.30	<u>\$2,230.76</u>

Sub-Total Reversion \$ 9,017.97
Sub-Total Penalty \$ 2,230.76
Total \$11,248.73

The college should submit Form 104 to the System Office for **\$11,249** to resolve the exception.

ATTACHMENT NUMBER TWO

Johnston 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 114	A. Pennington	NCCIW	02/12/08	11	5
COS 119	A. Barbour	Cleveland Campus	09/13/07	9	9
CVS 160 12	C. Godwin	Rex Hospital	11/13/07		1 *1
MAT 151 01	W. Woodall	Main Campus	11/13/07	15	11
WEB 111 HWH	D. Lewis	West Johnson HS	11/13/07	16	<u>14</u>
Total CURRICULUM Class Visits/Program Reviews to Date:					5

*1 No roster available at the hospital to review.

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 09F	A. King	Cleveland Campus	11/28/07	9	7 *1
BSP 2000	G. Bryman	Cleveland Campus	11/28/07	13	10 *2
BSP 2000 03F	R. Jones	JCI	11/28/07	7	5
BSP 2000 23F	R. Dickinson	JCI	11/28/07	27	4
CAS 3120 133	E. Jones	Cleveland Campus	11/28/07	11	7
CSP 3000 04F	S. Flynt	Cleveland Campus	09/13/07	8	8
CSP 3000 07P	C. Mills	Main Campus	02/29/08	10	6
FIP 3614	McDaniel	Brogden FD	11/26/07	-	- *3
NUR 3240	B. Gardner	Main Campus	02/29/08	17	15
SBC 3601 22F	B. Brown	JC Workforce Dev.	09/11/07	19	<u>19</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10

*1 Class Visit Coordinator arrived at 7:20 p.m. Attendance had already been completed for the night with all students recorded for the full amount of time the class was being held.

*2 Class Visit Coordinator arrived at 7:10 p.m. Attendance had already been completed for the night with all students recorded for the full amount of time the class was being held.

*3 Class was visited on a Monday night as listed in the course schedule. Class was not meeting. Spoke with staff who stated the class will meet on Tuesday and Wednesday.