



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
H. Martin Lancaster, President

April 29, 2008

Dr. Ann R. Britt, President
Martin Community College
1161 Kehukee Park Road
Williamston, NC 27892-8307

Dear Dr. Britt:

Enclosed is the final audit report of findings from the recent audit conducted at Martin Community College. The college response dated March 13, 2008, provided supportive documentation which was incorporated into the report. 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: Ms. Charlotte Griffin, 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
- Ms. Adrienne Smith, Chief Financial Officer, Martin Community College
- System Office Vice Presidents

North Carolina Community College System

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

An audit was conducted at Martin 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 continuing education class offerings, errors were noted in 19 classes resulting in 2,186 student membership hours incorrectly reported for budget/FTE. The errors are summarized below.

- Title 23 NCAC 02D .0203 *Fees for Extension Programs*, states, in pertinent part, (a)(4) “A registration fee shall be charged for each extension class of 21 weeks or less. A registration fee shall be charged each 16 weeks for extension classes lasting longer than 21 weeks.”

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u> | <u>Hours Exceeded</u> |
|----------------------|----------------------|--------------------------------|-----------------------|
| Spring 2006 | EMS 3044 | EMT Basic Course | 234 |
| Summer 2006 | CJC 3938 | Basic Law Enforcement Training | 1,848 |

Student membership hours were incorrectly reported for nine students (EMS 3044 – Contract #0614798) and 11 students (CJC 3938) for the class meetings in excess of 21 weeks.

- Title 23 NCAC 02D .0203 *Fees for Extension Programs*, states, in pertinent part, (a)(4) “A registration fee shall be charged for each extension class of 21 weeks or less. A registration fee shall be charged each 16 weeks for extension classes lasting longer than 21 weeks.”

Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (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 Exceeded</u> |
|----------------------|----------------------|---------------------|-----------------------|
| Spring 2006 | EMS 3044 | EMT Basic Course | +638 |
| Fall 2006 | EMS 3045 | EMT Intermediate | +324 |

Student membership hours were over reported for 11 students [EMS 3044 – Contract # 0614780 (-220hrs)] and 18 students [EMS 3045 Contract #0615279 (-468 hrs)] for the class meetings in excess of 21 weeks and when the number of hours reported were not consistent with the scheduled class hours stated in official college documents [EMS 3044 Contract # 0614780 (+858hrs)] and [EMS 3045 Contract #0615279 (+792hrs)].

- Title 23 NCAC 02D .0203 *Fees for Extension Programs*, states, in pertinent part, (a)(4) “A registration fee shall be charged for each extension class of 21 weeks or less. A registration fee shall be charged each 16 weeks for extension classes lasting longer than 21 weeks.”

Title 23 NCAC 02D .0203 *Fees for Extension Programs*, states, in pertinent part, (a)(5)(A) “Special Extension Training Programs. No registration fees shall be charged students enrolling for special extension training programs that directly relate to job performance set forth in G.S. 115D-5(b).”

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u> | <u>Hours Excepted</u> |
|----------------------|----------------------|---------------------|-----------------------|
| Fall 2006 | EMS 3044 | EMT Basic Course | 769 |

Student membership hours were incorrectly reported for 11 students for the class meetings in excess of 21 weeks (-385hrs). In addition, student membership hours were incorrectly reported for two students who were inappropriately fee waived for the class (-384hrs).

- Title 23 NCAC 02D .0203 *Fees for Extension Programs*, states, in pertinent part, (a)(5)(A) “Special Extension Training Programs. No registration fees shall be charged students enrolling for special extension training programs that directly relate to job performance set forth in G.S. 115D-5(b).”

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u> | <u>Hours Excepted</u> |
|----------------------|----------------------|--------------------------|-----------------------|
| Spring 2006 | EMS 3060 | ACLS Updates and Reviews | 3 |

Student membership hours were incorrectly reported for one student who was inappropriately fee waived for the class.

- 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 | CAS 3020 | Intro to Excel | 63 |
| Spring 2006 | EDU 3002 | Effective Teacher Training | 30 |
| Spring 2006 | FIP 5512 | Haz Mat Awareness Certification | 30 |
| Spring 2006 | TEX 3117 | Upholstery | 60 |
| Summer 2006 | WLD 3105 | Welding, Shielded Metal Arc | 176 |
| Fall 2006 | EDU 3002 | Effective Teacher Training | 30 |
| Fall 2006 | WLD 3105 | Welding | 88 |

Student membership hours were incorrectly reported for three students (CAS 3020); one student (EDU 3002); two students (FIP 5512); one student (TEX 3117); two students (WLD 3105); one student (EDU 3002); and one student (WLD 3105) who did not attend one or more classes 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> |
|----------------------|----------------------|-----------------------|-----------------------|
| Fall 2006 | SAF 3032 | AHA-CPR HCP Refresher | +3 |

Student membership hours were incorrectly reported for one student who entered the class prior to the 10 percent point of the class and did not drop the class prior to or on the 10 percent point of the class.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (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> |
|----------------------|----------------------|-----------------------------------|-----------------------|
| Spring 2006 | FIP 3400 | Crime Scene Preservation | +192 |
| Spring 2006 | HRD 3005 | Computer Skills for World of Work | +64 |

Student membership hours were incorrectly reported for 24 students (FIP 3400) and eight students (HRD 3005) when the number of hours reported were not consistent with the scheduled class hours stated in official college documents.

- 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> |
|----------------------|----------------------|---------------------|-----------------------|
| Fall 2006 | NUR 3240 | Nurse Aid Level I | 28 |

Student membership hours were incorrectly reported for 14 students when paid instructor contracts totaled two hours less than the student hours reported.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (c) Classes Identified as Extension Non-Traditional Delivery. (2) “For those classes identified as non-traditional delivery, student attendance in class or in an orientation session, submission of a written assignment or a submission of examination is the basis for the determination of class membership at the 10 percent point of the class...”

The college’s *Continuing Education Distance Education Policy for Education to Go (Ed2Go) D. Census Date (10% point)*, states, in pertinent part, “The census date (10%) point is determined by the completion of 2.4 hours of the on-line course.”

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u> | <u>Hours Excepted</u> |
|----------------------|----------------------|-------------------------------|-----------------------|
| Spring 2006 | CAS 3080 | Intro to Quickbooks | 24 |
| Fall 2006 | MLS 3228 | Learn to Buy and Sell on EBay | 24 |

Student membership hours were incorrectly reported for one student (CAS 3080) and one student (MLS 3228) who did not attend one or more classes or complete an assignment prior to or on the 10 percent point of the class.

Recommendation: An audit exception is taken to 2,186 student membership hours reported for budget/FTE in continuing education occupational extension classes which did not meet reporting criteria outlined in Title 23 of the North Carolina Administrative Code and the college’s Continuing Education Distance Education Policy for Education to Go. 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> |
|------------------------------|----------------------|-----------------|--------------------------------|------------------------|-----------------------|
| 0614798 | EMS 3044 | Spring 2006 | 1674 | 1440 | 234 |
| 0614920 | CJC 3938 | Summer 2006 | 6798 | 4950 | 1,848 |
| 0614780 | EMS 3044 | Spring 2006 | 1122 | 1760 | +638 |
| 0615279 | EMS 3045 | Fall 2006 | 2466 | 2790 | +324 |
| 0615098 | EMS 3044 | Fall 2006 | 2496 | 1727 | 769 |
| 0614987 | EMS 3060 | Spring 2006 | 33 | 30 | 3 |
| 0614969 | CAS 3020 | Spring 2006 | 252 | 189 | 63 |
| 0615075 | EDU 3002 | Spring 2006 | 330 | 300 | 30 |
| 0615056 | FIP 5512 | Spring 2006 | 435 | 405 | 30 |
| 0614957 | TEX 3117 | Spring 2006 | 600 | 540 | 60 |
| 0615231 | WLD 3105 | Summer 2006 | 1144 | 968 | 176 |
| 0715501 | EDU 3002 | Fall 2006 | 360 | 330 | 30 |
| 0715443 | WLD 3105 | Fall 2006 | 616 | 528 | 88 |
| 0715727 | SAF 3032 | Fall 2006 | 60 | 63 | +3 |
| 0614928 | FIP 3400 | Spring 2006 | 144 | 336 | +192 |
| 0615162 | HRD 3005 | Spring 2006 | 160 | 224 | +64 |
| 0715483 | NUR 3240 | Fall 2006 | 2268 | 2240 | 28 |
| 0615058 | CAS 3080 | Spring 2006 | 24 | 0 | 24 |
| 0715420 | MLS 3228 | Fall 2006 | 24 | 0 | 24 |
| Total Hours Excepted: | | | | | 2,186 |

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

SUBMITTED BY: Anne O. Miller
 Audit Dates: October 9 - 31, 2007

ATTACHMENT NUMBER ONE

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

A total of 2,186 Continuing Education hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Continuing Education \$ Value \$4,133.06

Continuing Education

| Hours | / 688 = | Curriculum FTE | Curriculum Value | Sub-Total Reversion |
|----------------------------|----------------|---------------------------|-----------------------------|--------------------------------|
| 2,186 | / 688 = | 3.18 | \$4,133.06 | <u>\$13,143.13</u> |
| Sub-Total Reversion | | <u>\$13,143.13</u> | | |
| Total | | <u>\$13,143.13</u> | | |

The college should submit Form 104 to the System Office for \$13,143 to resolve the exception.

ATTACHMENT NUMBER TWO

Martin 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> |
|---|-------------------|---------------------|--------------------------|------------------------------|--|
| CHM 090 02 | L. Holley | Main 01-007 | 10/29/07 | 9 | 4 |
| ELC P112 BC1 | D. Turner | Bertie Correctional | 10/24/07 | 14 | 11 |
| NET 225 5W1 | J. Sherrill | Main 04-048B | 10/29/07 | 5 | 4 |
| 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 | C. Davidson | Robersonville Sen Ctr | 10/31/07 | 39 | 9 |
| BSP P 2000 | D. Armstrong | Bertie Correctional | 10/24/07 | 15 | 10 |
| CAS 3120 | Ed2Go | Online | 11/15/07 | 1 | - |
| CSP 3000 | A. Harrison | Main 01-029 | 10/29/07 | 5 | 4 |
| HOS P 3043 | L. Todd | Bertie Correctional | 10/24/07 | 13 | 8 |
| WLD 3105 | R. Williams | Main 01-028 | 10/29/07 | 8 | 7 |
| Total CONTINUING EDUCATION Class Visits/Program Reviews to Date: | | | | | 6 |