



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
H. Martin Lancaster, President

April 30, 2008

Dr. John R. McKay, President
South Piedmont Community College
P.O. Box 126
Polkton, NC 28135

Dear Dr. McKay:

Enclosed is the final audit report of findings from the recent audit conducted at South Piedmont Community College. The college response dated March 19, 2008, provided additional information that 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: Mr. Harvey Leavitt, 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. John DeVitto, Chief Financial Officer, South Piedmont Community College
System Office Vice Presidents

MAILING ADDRESS: 5001 MAIL SERVICE CENTER ~ RALEIGH, NC 27699-5001

Street Address: 200 West Jones ~ Raleigh, NC 27603-1379 ~ 919-807-7100 ~ Fax 919-807-7166
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North Carolina Community College System

Audit Findings for South Piedmont Community College Spring Semester 2006 - Spring Semester 2007

An audit was conducted at South Piedmont 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 class records, errors were noted in ten classes and two Academic Support Labs resulting in 1,632 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*, states, in pertinent part, (c)(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...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	BUS P116-401	Business Law II	+153
Fall 2006	BUS P121-401	Business Math	+60
Fall 2006	CJC 100-202	Basic Law Enforcement Trng	2,264
Fall 2006	ELC P118-401	National Electrical Code	+29
Fall 2006	MEC P172-401	Introduction to Metallurgy	30

Student contact hours were incorrectly reported for budget/FTE for three students in BUS P116-401; one student in BUS P121-401; and one student in ELC P118-401. CJC 100-202 was incorrectly reported as membership hours (624 hours per student) for the four limited enrolled students instead of being reported as contact hours. There was an error in the addition of the total hours for MEC P172-401.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (b)(2) “A student shall be considered to be in class membership when the student meets all of the following criteria: (A) enrolled as evidenced by payment of the applicable tuition and fees, or obtained a waiver as defined in G.S. 115D-5(b); (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	CIS 110-252	Introduction to Computers	64

Student membership hours were incorrectly reported for budget/FTE for one student in CIS 110-252 who did not attend one or more classes prior to the 10 percent point of class.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (e)(2) “For those classes identified as non-traditional delivery, student attendance in class or in an orientation session, submission of a written assignment or submission of an examination, is the basis for the determination of class membership at 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	GRD 113-IN1	History of Graphic Design	48
Spring 2007	CTS 125-IN1	Presentation Graphics	64

Student membership hours were incorrectly reported for budget/FTE for one student in GRD 113-IN1 and one student in CTS 125-IN1 who did not attend class or an orientation session, submit a written assignment or submit an examination prior to the 10 percent point of the class.

- Title 23 NCAC 02D .0325 *Limitation in Reporting Student Membership Hours*, states, in pertinent part, (g) “Educational programs offered in a correctional department setting shall report full-time equivalent (FTE) student hours on the basis of contact hours.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	MAT P070-451	Introductory Algebra	175

MAT P070-451 was offered in a correctional department setting, and the hours were reported as membership hours for 15 students rather than on the basis of contact hours.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (b)(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 for the semester as stated in the college catalog and the approved curriculum program of study compliance document (see 23 NCAC 02E .0204(4)).”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	RTT 151-2W1	RTT Clinical Ed II	+1,152

Student membership hours as stated in the college catalog and the approved program of study were incorrectly reported for budget/FTE for the 12 students in RTT 151-2W1.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (d)(3) “Calculation of Student Contact Hours for Skills Laboratory or Computer Tutorial Laboratory. For these classes, actual time of class attendance shall be reported; 60 minutes shall constitute an hour. Student hours generated for these types of classes are the sum of all the hours of actual student attendance in a class in a given semester.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	ACA 001-101	Academic Support Lab	239
Spring 2007	ACA 001-201	Academic Support Lab	142

Student contact hours were incorrectly reported for budget/FTE as 50-minute hours instead of 60-minute hours for the Academic Support Labs.

Recommendation: An audit exception is taken to 1,632 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. 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>
BUS P116-401	Fall 2006	561	714	+153
BUS P 121-401	Fall 2006	480	540	+60
CJC 100-202	Fall 2006	2,496	232	2,264
ELC P118-401	Fall 2006	334	363	+29
MEC P172-401	Fall 2006	863	833	30
CIS 110-252	Fall 2006	768	704	64
GRD 113-IN1	Fall 2006	624	576	48
CTS 125-IN1	Spring 2007	640	576	64
MAT P070-451	Spring 2007	1,200	1,025	175
RTT 151-2W1	Spring 2007	1,728	2,880	+1,152
ACA 001-101	Spring 2007	1,447	1,208	239
ACA 001-201	Spring 2007	851	709	<u>142</u>
Total Hours Excepted:				1,632

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

SUBMITTED BY: Anne O. Miller
Audit Dates: December 12, 2007 - January 18, 2008

ATTACHMENT NUMBER ONE

**South Piedmont Community College
Financial Adjustment
FY 2006 - 2007**

A total of 1,632 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
1,632	/ 512 =	3.19	\$4,746.30	<u>\$15,140.70</u>

Total Reversion \$15,140.70
Total \$15,140.70

The college should submit Form 104 to the System Office for \$15,141 to resolve the exception.

ATTACHMENT NUMBER TWO

South Piedmont 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>
CIS 110-1W3	S. Blumish	Polkton Campus	1/10/08	21	14
ELC 115-251	G. Kouvaris	OCH Campus	1/16/08	13	10
GEO 111-IN1	D. Harris	Online-Blackboard	1/14/08	20	-
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	T. Buckingham	Lockhart-Taylor Ctr	1/17/08	23	4
BSP 2000	S. Colbath	OCH Campus	1/16/08	10	7
BSP P2000	E. C. Castro	Anson Corr. Center	1/17/08	10	9
CAR P3124	L. Griggs	Anson Corr. Center	1/17/08	14	14
CSP 4000	D. Robertson	OCH Campus	1/16/08	2	1
ELC 3119	G. Kouvaris	OCH Campus	1/16/08	2	2
HRD P3001	R. Bergman	Union Corr. Center	1/16/08	5	5
HRD P3001	P. Chapman	Anson Corr. Center	1/17/08	13	13
HRD 3002	K. Austin	Lockhart-Taylor Ctr	1/17/08	25	0
HOS 3036	Ed2Go	Online	1/14/08	1	-
MAS P3002	T. James	Anson Corr. Center	1/17/08	10	<u>10</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					11