



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

June 3, 2008

Dr. Stephen C. Scott, President
Wake Technical Community College
9101 Fayetteville Road
Raleigh, North Carolina 27603-5696

Dear Dr. Scott:

Enclosed is the final audit report of findings from the recent audit conducted at Wake Technical Community College. The college response dated April 22, 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: Mr. Jim W. Perry, 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. Ward Preston, Chief Financial Officer, Wake Technical Community College
- System Office Vice Presidents

North Carolina Community College System

Audit Findings for Wake Technical Community College Spring Semester 2006 – Spring Semester 2007

An audit was conducted at Wake Technical 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 is noted and is discussed below.

Exception

During a review of continuing education class offerings, errors were noted resulting in 4,459 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, (3) “Student Membership Hour. A student membership hour is one hour of scheduled class or laboratory for which the student is enrolled. A college shall provide a minimum of 50 minutes of instruction for each scheduled class hour. A college shall not report more hours per student than the number of class hours scheduled in official college documents. 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	AHR 3131	Heating and Air Conditioning	68
Summer 2006	ELC 3119	Commercial/Residential	180
Fall 2006	CJC 3938	Basic Law Enforcement	136
Fall 2006	CJC 5025	Survival Spanish	680
Fall 2006	CJC 5030	Aspects of Mental Health	1,564
Fall 2006	ELC 3119	Commercial/Residential	135
Fall 2006	FIP 3325	Haz Mat Operations	136
Fall 2006	WLD 3114	Welding TIG and MIG	640

In AHR 3131, 124 hours were scheduled, but 128 hours were reported for budget/FTE. In ELC 3119, 200 hours were scheduled, but 220 hours were reported for budget/FTE. In CJC 3938, four hours were scheduled and paid for instruction, but eight hours were reported for budget/FTE for students enrolled in the course. In CJC 5025, 20 hours were scheduled, but 40 hours were reported for budget/FTE. In CJC 5030, six hours were scheduled and paid for instruction, but 74 hours were reported for budget/FTE. In ELC 3119, 205 hours were scheduled, but 220 hours were reported for budget/FTE. In FIP 3325, 30 hours were scheduled and paid for instruction, but 38 hours were reported for budget/FTE. In WLD 3114, 64 hours were scheduled, but 128 hours were reported for budget/FTE.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (a) Regularly Scheduled Classes. (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	AHR 3131	Heating and Air Conditioning	128
Summer 2006	EMS 3044	EMT Basic	180
Summer 2006	TEX 3117	Upholstery	75
Fall 2006	CAS 3050	Spreadsheets(Excel Intro)	+30
Fall 2006	CAS 3120	Integrated Software	+78
Fall 2006	DFT 3100	Auto Cad Intro to Windows	+156

In AHR 3131, one student withdrew and received a refund on the 10% point. In EMS 3044, one student withdrew and received a refund prior to the 10% point. In TEX 3117, one student did not pay the registration fee. In CAS 3050, 13 students were reported for budget/FTE, when 14 students were enrolled and did not drop by the 10% point. In CAS 3120, 13 students were reported for budget/FTE, when 15 students were enrolled on the 10% point and did not drop by the 10% point. In DFT 3100, four students withdrew after the 10% point and were not reported for budget/FTE.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (b) 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. 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.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	CJC 5035	Corrections In Service	10

One student enrolled was reported for 36 hours when the actual number of contact hours attended was 26.

- Numbered Memorandum CC95-267 *Applying the Continuing Education Master Course List*, states, in pertinent part, “Each course listed in the MCL has a course description, a recommended number of instructional hours and a maximum number of course hours. A course may not be offered for a number of hours greater than the maximum State Board approved hours...”

Continuing Education Guidelines states, in pertinent part, “**PART II. GUIDELINES**
A. MANAGEMENT PRACTICES, The following management practices are intended to clarify points and issues relating to the Continuing Education Master Course List and approval process, which became effective Fall Term 1994...3...The following guidelines apply for courses not required for certification/licensure: a. A course not required for certification/ licensure can not be conducted for a number of hours greater than the maximum hours approved by the State Board of Community Colleges...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2006	MLS P3228	Financial Management	7

Seven students were counted for 30 hours for budget/FTE when 29 hours are the maximum number of hours approved by the State Board of Community Colleges as noted on the Continuing Education Master Course List (MCL).

- 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...”

NOTE: Due to the additional documentation provided by the college, this issue changed from a fee waiver issue to the number of class hours scheduled issue.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2006	CJC 5040	General Instructor Training	784

Twenty-four hours were scheduled but 80 hours were reported for budget/FTE for the 14 students enrolled.

Recommendation: An audit exception is taken to 4,459 student membership hours reported for budget/FTE for students who did not meet reporting criteria outlined in NC General Statutes, Title 23 of the North Carolina Administrative Code, NCCCS Numbered Memoranda, and 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>
0610500	AHR 3131*	Spring 2006	2,304	2,236	68
0620708	ELC 3119	Summer 2006	1980	1800	180
309	CJC 3938	Fall 2006	272	136	136
495	CJC 5025	Fall 2006	1,360	680	680
255	CJC 5030	Fall 2006	1,702	138	1,564
0620754	ELC 3119	Fall 2006	1,980	1,845	135
229	FIP 3325	Fall 2006	646	510	136
579	WLD 3114	Fall 2006	1,280	640	640
0610500	AHR 3131*	Spring 2006	2,304	2,176	128
0623300	EMS 3044	Summer 2006	4,320	4,140	180
0620703	TEX 3117	Summer 2006	450	375	75
452	CAS 3050	Fall 2006	390	420	+30
019	CAS 3120	Fall 2006	507	585	+78
473	DFT 3100	Fall 2006	546	702	+156
0613464	CJC 5035	Spring 2006	814	804	10
0610704	MLS P3228	Spring 2006	297	290	7
040	CJC 5040	Fall 2006	1,120	336	<u>784</u>
Total Hours Excepted:					4,459

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

SUBMITTED BY: Elizabeth C. Self
Audit Dates: February 12 – March 4, 2008

ATTACHMENT NUMBER ONE

**Wake Technical Community College
Financial Adjustment
FY 2006 - 2007**

A total of 4,459 Continuing Education hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Continuing Education \$ Value \$4,133.06

Continuing Education

Hours	/ 688 =	Extension FTE	Extension Value	Sub-Total Reversion
4,459	/ 688 =	6.49	\$4,133.06	<u>\$26,823.56</u>

Sub-Total Reversion \$26,823.56
Total \$26,823.56

The college should submit Form 104 to the System Office for **\$26,824** to resolve the exception.

ATTACHMENT NUMBER TWO

Wake Technical 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>
DEN 130 002	S. Smith	Health Science	01/17/08	19	19
ENG 090 353	P. Stevens	SE Raleigh HS	10/02/07	8	7
ENG 112 016	Lovett	North Campus	01/17/08	25	21
MAT 060 358	L. Anderson	SE Raleigh HS	10/02/07	18	17
MLT 125 001	McGehee	HEB 223	01/17/08	10	9
PSY 241 354	McKnight	Millbrook	01/17/08	15	<u>14</u>
Total CURRICULUM Class Visits/Program Reviews to Date:					6

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	J. Arnold	Millbrook HS	10/03/07	-	13 *1
BSP 2000	Pack	Millbrook HS	01/17/08	27	12
BSP 2000	Noga	Sanderson	01/17/08	24	16
BSP 2000	O'Neill/Parent	AHB 324	01/17/08	5	3
CJC 5035	R. Herrera	Health Science	11/01/07	16	10
EDU 3001	Pinkney	SE Raleigh HS	10/02/07	-	- *2
FLI 3717	D. Cole	Millbrook HS	10/03/07	20	16
NUR 3216	Brones	AHB 315	01/17/08	11	6
WLD 3114	J. Sciadini	Asso of Plbgrs /Pipers	10/08/07	-	- *3
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					9

*1 Instructor did not have a hard copy of roster. Reviewed sign in sheets and roster on computer. Sign-in sheets not complete, and sheets prior to 10/01/07 are filled out. Instructor completed them if left blank. Informed staff at exit conference.

*2 Arrived at 6:50 pm and spoke to Mr. Pettiford who stays at school on Tuesday and Thursday while classes are in session. Could not find class on the schedule. Informed staff at exit conference.

*3 Class schedule changed. Discussed the need to inform staff.