



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

August 5, 2009

Dr. L. Steve Thornburg, President
Cleveland Community College
137 South Post Road
Shelby, NC 28152

Dear Dr. Thornburg:

Enclosed is the final audit report of findings from the recent audit conducted at Cleveland Community College pursuant to NC General Statute 115D-5(m). The college response dated July 28, 2009, concurred with these findings. Therefore, there is one audit exception 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,

Kennon D. Briggs
Executive Vice President and Chief of Staff

Enclosure

c: Mr. Hoyt Q. Bailey, 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
Ms. Beth Wood, State Auditor
Ms. Andrea Poole, Fiscal Analyst
Mr. Charles Perusse, State Budget Officer
Community College Presidents
Mr. Tommy Greene, Senior Vice President of Finance and Administrative Services,
Cleveland Community College
System Office Vice Presidents

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North Carolina Community College System

Audit Findings for Cleveland Community College Spring Semester 2007 – Spring Semester 2008

An audit was conducted at Cleveland 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 2007 through Spring Semester 2008. 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 Policy 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 during the period of review but may be conducted at other times if necessary. If concerns are noted which result from these visits, the college will be 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 exception was noted and is discussed below.

Exception

During a review of curriculum course offerings, a number of errors were noted which resulted in 672 student membership hours incorrectly reported for budget/FTE. The errors are summarized below.

- 23 NCAC 02D .0202 *Tuition and Fees for Curriculum Programs*, states in pertinent part, "(a) Tuition... (7) Tuition Waivers. (C) Basic Law Enforcement Training Program (BLET) for law for law enforcement officers. All law enforcement officers employed by a municipal,

county, state, or federal law enforcement agency when taking courses in a state-mandated BLET training program, are exempt from tuition payment. Also, trainees shall be exempt from BLET class tuition if a letter of sponsorship from a state, county, or municipal law enforcement agency is on file at the college.”

23 NCAC 02D .0323 *Reporting of Student Membership Hours for Curriculum Classes*, states, in pertinent part, “(b) Regularly-Scheduled Classes. (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)...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Exceeded</u>
Fall 2007	CJC 100 41	Basic Law Enforcement Trng	624

One student did not pay the applicable tuition and did not have a letter of sponsorship from a state, county, or municipal law enforcement agency on file at the college.

- 23 NCAC 02D .0325 *Limitation in Reporting Student Membership Hours*, states, in pertinent part, “(a) Student hours shall not be reported for budget/FTE which result from: (6) Proficiency or challenge exams except that the actual time required to take the exam may be counted in membership; students shall be registered in the class consistent with Paragraph (a) of Rules .0202 and .0203 of the Subchapter.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Exceeded</u>
Spring 2008	ENG 113 OL2	Literature Based	48

One student enrolled in and was reported for budget/FTE for the 48 hours in this class when the student concurrently completed, passed, and was given credit for a proficiency exam.

Recommendation: An audit exception is taken to 672 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 reference 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 2008 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>
CJC 100 41	Fall 2007	14,976	14,352	624
ENG 113 OL2	Spring 2008	768	720	<u>48</u>
Total Hours Excepted:				672

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

SUBMITTED BY: Elizabeth C. Self
Audit Dates: May 20 – June 15, 2009

ATTACHMENT NUMBER ONE

**Cleveland Community College
Financial Adjustment
FY 2007 - 2008**

A total of 672 curriculum hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Curriculum \$ Value \$4,872.90

Curriculum

Hours	/ 512 =	Curriculum FTE	Curriculum Value	Sub-Total Reversion
672	/ 512 =	1.31	\$4,872.90	<u>\$6,383.50</u>

25% Penalty Calculation

Hours	X 25% =	Curriculum Hours	/ 512 =	Curriculum FTE	Curriculum Value	Sub-Total Penalty
0	X 25% =	0	/ 512 =	0	\$4,872.90	<u>\$0</u>

Sub-Total Reversion	\$6,383.50
Sub-Total Penalty	\$ 0.00
Total	<u>\$6,383.50</u>

The college should submit Form 104 to the System Office for **\$6,384.00** to resolve the exception.

ATTACHMENT NUMBER TWO

**Cleveland Community College
SUMMARY OF CLASS VISITS FOR FY 2008 – 2009**

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>
BPR 121 01	D. Ledford	Main Campus	6/08/09	10	10
MAT 060 02	W. Houser	Main Campus	6/03/09	23	21
RED 080 01	D. Dickson	Main Campus	6/03/09	13	<u>13</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	A. Parker	Main Campus Cleveland County	5/03/09	84	34
CJC 5030	J. Stearns	Firing Range	5/21/09	21	21
COM 3724	Ed2go	Online	6/08/09	1	-
EMS 3029	K. Childress	BETC*	6/08/09	4	4
EMS 3029	D. Goodwin	BETC	5/21/09	23	22
FIP 3615	J.Strickland	BETC	5/21/09	8	8
FIP 4728	J. McCarn	BETC	5/21/09	11	11
FIP 5504	W. Weaver	BETC	5/21/09	-	- *1
HRD 3002	J. Hosch	Main Campus	5/21/09	15	2
HRD 3001	B. McLairn	Main Campus	5/03/09	14	<u>10</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10

*BETC – Brown Emergency Training Center

*1 – No one in the classroom. In discussions with staff, it was noted the students and instructor were conducting helicopter field training at the local helipad.