



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

October 7, 2009

Ms. Lynne M. Bunch, President
College of The Albemarle
P.O. Box 2327
Elizabeth City, NC 27906-2327

Dear Ms. Bunch:

Enclosed is the final audit report of findings from the recent audit conducted at College of The Albemarle pursuant to NC General Statute 115D-5(m). The college response dated September 1, 2009, provided additional documentation which has been incorporated into the audit 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,

Kermon D. Briggs
Executive Vice President and Chief of Staff

Enclosure

- c: Mr. G. Matt Wood, 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
Beth Wood, State Auditor
Ms. Andrea Poole, Fiscal Analyst
Mr. Charles Perusse, State Budget Officer
Community College Presidents
Mr. Jim Turdici, VP for Business & Finance, College of The Albemarle
System Office Vice Presidents

North Carolina Community College System

Audit Findings for College of The Albemarle Spring Semester 2007 – Spring Semester 2008

An audit was conducted at College of The Albemarle 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 (NCAC); (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 continuing education course offerings, a number of errors were noted which resulted in 2,895 student membership hours incorrectly reported for budget/FTE. The errors are summarized in the pages that follow.

- The North Carolina Administrative Code states in Title 23 NCAC 02D .0324 (a)(2) *Reporting of Student Hours in Membership for Continuing Education Classes, Regularly Scheduled Classes*. "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 2007	CAS 3020 033	Operating Systems	12

Student membership hours were incorrectly reported for budget/FTE for one student who did not attend class prior to or on the ten percent point of the class.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	CAS 3020 801	Operating Systems	96
Fall 2007	MLS 3874 802	Notary Public	12

In CAS 3020, there were 10 students enrolled at the ten percent point of the class, and 14 were counted for budget/FTE (-96 hours). In MLS 3874, there were 20 students enrolled at the ten percent point of the class rather than 22 as reported (-12 hours).

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	AER 3103 701	Aviation Ground	108

Two students did not pay the registration fees for the class (-108 hours).

Title 23 NCAC 02D .0324 (a)(3) *Reporting of Student Hours in Membership for Continuing Education Classes*, Regularly Scheduled Classes, states, in pertinent part “Student Membership Hour...Colleges shall not report more hours per student than the number of hours specified in the instructor’s contract.”

Title 23 NCAC 02D .0326 (b) *Budget FTE Funding*, states in pertinent part, “Any class for which the instructor's services are provided at no cost or for which the instructional cost is paid totally and directly by an external agency is a ‘gratis’ class. In this situation, the class is reported as self-supporting, and does not generate budget/FTE. If a portion of the class is gratis, student hours shall be prorated accordingly.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	CJC 5050 701	Extreme Officer Survival	27

Hours were reported for budget/FTE for which there was no instructor pay. The college had a contract with Blackwater Training Center; however, the contract expired prior to the date this class began and was not renewed. Therefore, there was no instructor contract and no instructional pay.

- Title 23 NCAC 02C .0301(a) *Admission to Colleges* states in pertinent part, “Each college shall maintain an open-door admission policy to all applicants who are high school graduates or who are at least 18 years of age. Student admission processing and placement determination shall be performed by the officials of each college. Admission requirements for an emancipated minor shall be the same as for an applicant 18 years old or older. Provisions with respect to admission of minors are set forth in Rule .0305 of this Section.” This is also discussed in Numbered Memorandum CC06-249 *Education Services for January High School Graduates*.

Title 23 NCAC 02C .0305(c) *Education Services for Minors*, states in pertinent part, “A high school student, 16 years old or older, based upon policies approved by the local public or private board of education and board of trustees, may be admitted to any curriculum course one hundred level and above or any continuing education course, except adult basic skills, concurrently under the following conditions: (1) Upon recommendations of the chief administrative school officer and approval of the president of the college; (2) Upon approval of the student’s program by the chief administrative school officer and the president of the college; and (3) Upon certification by the Chief Administrative School Officer that the student is taking the equivalent of one-half of a full-time schedule and is making progress toward graduation... (e) Local boards of trustees and local school boards may establish cooperative programs in areas they serve in order to provide college courses to high school students. College credits shall be awarded to those high school students upon successful completion of the courses. Cooperative programs shall be approved, prior to implementation, by the State Board or its designee.”

The *Curriculum Procedures Reference Manual*, Section 14, Operating Procedures for the Enrollment of High School Students in Community College Courses, II Concurrent Enrollment B. Costs, states in pertinent part, “2) Students enrolling under this provision, taking continuing education courses from the Continuing Education Master Course List **shall not be** exempt from applicable registration fees.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	CSC 3110 101	Computer Programming	222

This occupational extension class was set up for high school students. The class was made up of only high school students who took the class for high school credit. The class was paid for inappropriately with Carl Perkins Tech Prep funds which are specific to curriculum classes.

- Title 23 NCAC 02D .0324 (a)(3) *Reporting of Student Hours in Membership for Continuing Education Classes*, Regularly Scheduled Classes, states in pertinent part, “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 2007	CJC 3935 801	Radar TD/SMI Operator	26

This class was scheduled for 38 hours, but 40 hours were reported for budget/FTE for each student enrolled (-26 hours).

- Title 23 NCAC 02D .0324 (a)(2) *Reporting of Student Hours in Membership for Continuing Education Classes*, Regularly Scheduled Classes, states in pertinent part, “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.”

Numbered Memorandum CC00-147, *Revisions to Accountability and Credibility Plan for Continuing Education (2) Student Membership Verification*, states in pertinent part, “In situations where the class meets physically with the instructor or other college staff, student signatures on appropriate forms (class receipt forms, class registration forms, etc.) is required for student membership verification...”

College of The Albemarle's *Continuing Education Internal Audit Policy*, states in pertinent part in (II)(A), "Student Membership Verification. Instructors will be responsible for inquiring as to whether each student has completed a registration form, paid a registration fee (unless exempted) and for writing the appropriate data on the class attendance form (roster) and affixing his/her own signature."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Exceeded</u>
Spring 2007	CJC 3935 801	Radar TD/SMI Operator	228

There was no documentation of signatures for six students in the class (-228 hours). This class is also referenced in bullet number four with regard to a separate issue.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Exceeded</u>
Spring 2007	CJC 3933 801	Radar TD/SMI Operations	176
Spring 2007	CJC 3952 005	Special Populations	112
Spring 2007	CJC 5000 801	Bicycle Patrol Training	80
Spring 2007	COD 3120 801	Fire Prevention	324
Spring 2007	EMS 3060 101	Paramedic	12
Summer 2007	EMS 3029 801	EMT Intermediate	436
Fall 2007	CJC 3935 801	Radar TD/SMI Operator	280
Fall 2007	CJC 3952 045	Interaction w/Special Pop.	20
Fall 2007	CJC 3952 025	Interaction w/Special Pop.	48
Fall 2007	CJC 3952 035	Interaction w/Special Pop.	48
Fall 2007	CJC 5005 801	Interviews & Interrogations	64
Fall 2007	EMS 3044 801	Emergency Medical	390
Fall 2007	EPT 4300 802	NIMS ICS 300	54
Fall 2007	EPT 4400 801	NIMS ICS 400	120

Hours were reported for budget/FTE when student membership verification was not documented per the noted references.

Recommendation: An audit exception is taken to 2,895 student membership hours reported for budget/FTE for students who did not meet reporting criteria outlined in *Title 23 of the North Carolina Administrative Code, Numbered Memoranda, and College of The Albemarle's Accountability and Credibility Policy*. 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 2007 and make any necessary adjustments prior to the audit review for FY 2009-2010.

The classes cited are listed below:

CONTINUING EDUCATION

<u>Section Number</u>	<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
033	CAS 3020	Spring 2007	132	120	12
801	CAS 3020	Fall 2007	336	240	96
802	MLS 3874	Fall 2007	150	138	12
701	AER 3103	Spring 2007	864	756	108
701	CJC 5050	Spring 2007	27	0	27
101	CSC 3110	Spring 2007	222	0	222
801	CJC 3935	Spring 2007	520	494	26
801	CJC 3935	Spring 2007	520	292	228
801	CJC 3933	Spring 2007	224	48	176
005	CJC 3952	Spring 2007	196	84	112
801	CJC 5000	Spring 2007	280	200	80
801	COD 3120	Spring 2007	504	180	324
101	EMS 3060	Spring 2007	612	600	12
801	EMS 3029	Summer 2007	2,180	1,744	436
801	CJC 3935	Fall 2007	600	320	280
045	CJC 3952	Fall 2007	96	76	20
025	CJC 3952	Fall 2007	72	24	48
035	CJC 3952	Fall 2007	156	108	48
801	CJC 5005	Fall 2007	768	704	64
801	EMS 3044	Fall 2007	5,850	5,460	390
802	EPT 4300	Fall 2007	504	450	54
801	EPT 4400	Fall 2007	288	168	120
Total Hours Excepted:					2,895

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

SUBMITTED BY: Elizabeth C. Self and Amanda K. Tolar
Audit Dates: April 20 – May 11, 2009

ATTACHMENT NUMBER ONE

**College of The Albemarle
Financial Adjustment
FY 2007 - 2008**

A total of 2,895 Continuing Education hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Continuing Education \$ Value \$4,249.46

Continuing Education

Hours	/ 688 =	Continuing Education FTE	Continuing Education Value	Sub-Total Reversion
2,895	/ 688 =	4.21	\$4,249.46	<u>\$17,890.23</u>

Sub-Total Reversion \$17,890.23
Sub-Total Penalty N/A
Total \$17,890.23

The college should submit Form 104 to the System Office for \$17,890 to resolve the exception.

ATTACHMENT NUMBER TWO

College of The Albemarle 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>
ARC 114	C. Purser	Main Campus	4/27/09	9	5
CUL 180	K. Yokley	Edenton Campus	4/27/09	5	4
FST 106	C. Betts	Pasquotank Corr. Inst.	4/27/09	20	<u>16</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 P2000	J. Duncan	Pasquotank Corr. Inst.	4/27/09	29	9
CAS 3060	D. Jacobs	Main Campus	4/27/09	-	- *1
EMS 3041	M. Whitehurst	Main Campus	4/27/09	23	15
EMS 3041	M. Whitehurst	Online	5/5/09	30	-
FIS 3109	R. Baker	Edenton Campus	4/27/09	12	6
GRD P3000	D. Rasor	Pasquotank Corr. Inst.	4/27/09	10	10
HRD P3001	B. Woolston	Pasquotank Corr. Inst.	4/27/09	-	- *1
MLS 3012	J. Grognet	Online	5/6/09	1	-
NUR 3240	L. Hudgins	Edenton Campus	4/27/09	-	- *2
SEF 3001	W. Sutton	Main Campus	4/27/09	12	<u>10</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10

1 – Class cancelled – staff aware. No problems noted.

2 – Class participating in clinicals during visit. No problems noted.