



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

August 27, 2009

Dr. William G. Ingram, President
Durham Technical Community College
1637 Lawson Street
Durham, NC 27703

Dear Dr. Ingram:

Enclosed is the final audit report of findings from the recent audit conducted at Durham Technical Community College pursuant to *NC General Statute 115D-5(m)*. The college response dated July 23, 2009, provided supportive documentation which was incorporated into the report. Therefore, there is one exception and one concern 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,

Kenyon D. Briggs
Executive Vice President and Chief of Staff

Enclosure

c: Dr. Mary Ann Peter, 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. Edward E. Moore, VP of Finance and Administration, DTCC
System Office Vice Presidents

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North Carolina Community College System

Audit Findings for Durham Technical Community College Spring Semester 2007 - Spring Semester 2008

An audit was conducted at Durham 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 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 and one concern were noted and are discussed below.

Exception

During a review of continuing education course offerings, a number of errors were noted which resulted in 3,632 student membership hours incorrectly reported for budget/FTE. The errors are summarized below.

- Title 23 NCAC 02C .0301 *Admission to Colleges* states, in pertinent part, "(a) 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.”

Title 23 NCAC 02C .0305 *Education Services for Minors*, states, in pertinent part, “(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.”

Numbered Memorandum, CC06-249, *Education Services for January High School Graduates* states, in pertinent part, “23 NCAC 02C .0301(a) states, in 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.’”

Curriculum Procedures Reference Manual, Section 14, Operating Procedures for the Enrollment of High School and Intellectually Gifted and Mature Students in Community College Courses, states, in pertinent part, “I. Huskins Bill: Community College Courses Specifically for High School Students...The Huskins Bill creates a powerful tool for improving articulation and for increasing a student’s college participation rate without blurring or diminishing the distinctive roles of high schools or community colleges. In 1988, the State Boards of Education and Community Colleges each adopted an official statement of the purpose of Huskins Bill cooperative programs: ‘*The purpose of Huskins Bill cooperative programs is to make available for the enrichment of high school students, college level academic, technical and advanced vocational courses not otherwise available to them.*’ In part, the aforementioned Huskins Bill [G.S. 115D-20(4)] states, ‘...*local administrative boards and local school boards may establish cooperative programs in the areas they serve to provide for college courses to be offered to qualified high school students with college credits to be awarded to those high school students upon successful completion of the courses.*’”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	EMS 3025 3	Medical Responder	630
Fall 2007	COS 3201 242	Cosmetology License Prep	1,562

Occupational extension classes were offered to high school students during high school hours when the North Carolina Administrative Code and procedures only allow for classes to be offered to high school students under the Huskins Bills, which is specific to curriculum.

- 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;...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Summer 2007	NUR 3240 1	Nurse Aide Level 1	160

One student did not pay registration fees for this class.

- Title 23 NCAC 02D .0325 *Limitation in Reporting Student Membership Hours*, states, in pertinent part, “(e) Self-supporting classes shall not be reported for regular budget purposes (those classes supported by student fees or a class in which instruction is provided gratis); all recreational extension classes fall in this category.”

Title 23 NCAC 02D .0326 *Budget FTE Funding*, states, in pertinent part, “(b) 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	OSH 3013 1	OSHA Construction	320

This class was set up and paid for by students as a self-supporting class, but reported for regular budget/FTE. Additionally, instructional services were provided at no cost.

- 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 2007	APR 3508 2	Intro. to Real Estate Appraisal	33

There was no documentation that one student paid the applicable registration fees for this class.

- Title 23 NCAC 02D .0326 *Budget FTE Funding*, states, in pertinent part, “(b) 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>
Summer 2007	MLS 3871 1	Real Estate Spanish	15

The instructor was paid for 30 hours, and 31 hours were reported for budget/FTE.

- *N.C. General Statute 115D-5(c1)*, states, in pertinent part, “Community colleges shall report full-time equivalent (FTE) student hours for correction education programs on the basis of contact hours rather than student membership hours. No community college shall operate a multi-entry/multi-exit class or program in a prison facility, except for a literacy class or program.”

Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, “(b)(3) Definition of Student Contact Hour. A student contact hour is one hour of student attendance in a class for which the student is in membership as defined in Subparagraph (b)(2) of this Rule. Sixty minutes shall constitute an hour ... (5) Maintenance of Records of Student Contact Hours. Accurate attendance records shall be maintained for each class. Attendance records shall be signed by the instructor or lead instructor, verifying their accuracy, and shall be maintained by the college until released from all audits as provided in the Public Records Retention and Disposition Schedule for Institutions in the Community College System. Student membership hours shall be summarized in the Institution Class Report and certified by the president or designee.”

Numbered Memorandum, CC94-248, *Elimination of Multi-Entry/Multi-Exit Programming in All Prison Classes*, states, in pertinent part, “The following law eliminating multi-entry/multi-exit

programming in all prison classes was passed during the recently adjourned General Assembly Short Session:

Senate Bill 1505 (*Budget Bill*). Chapter 769, Sec. 18.4:

Sec. 36. *N. C. General Statute 115D-5* is amended by adding a new subsection to read: ‘(c1) Community colleges shall report full-time equivalent (FTE) student hours for correction education programs on the basis of contact hours rather than student membership hours. No community college shall operate a multi-entry/multi-exit class or program in a prison facility.’

First, an important clarification:

Many in our system are used to thinking of ‘contact hours’ and ‘multi-entry/multi-exit’ as synonymous. While we have used them simultaneously, they are really two distinct concepts. Contact-hour reporting has to do with how you account for student attendance for funding purposes; multi-entry/multi-exit programming has to do with when you are able to enroll students. Under this new law, you will still account for students as you have been doing in the prison setting (using contact hours), but you will no longer be able to admit students continuously throughout the quarter/contract (thus, the elimination of multi-entry/multi-exit registration).”

The September 17, 1998, *A Plan For Appropriate Community College Education in North Carolina’s Correctional Facilities* report approved by the State Board of Community Colleges on the same date, states, in pertinent part, “Appropriate Management Philosophies Defined. Policies and practices governing student enrollment in courses should be consistent with general college policies/practices...in some cases the policies may be more restrictive. Examples of this include the law that requires contact-hour reporting.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	CAS P3020 684	Operating Systems	57
Fall 2007	HRD P3001 386	Human Resources	54

In these captive co-opted classes, one student in each class entered after the 10% point set by staff, but both were counted for budget/FTE.

- *N.C. General Statute 115D-5(c)*, states, “No course of instruction shall be offered by any community college at State expense or partial State expense to any captive or co-opted group of students, as defined by the State Board of Community Colleges, without prior approval of the State Board of Community Colleges. Approval by the State Board of Community

Colleges shall be presumed to constitute approval of both the course and the group served by that institution. The State Board of Community Colleges may delegate to the President the power to make an initial approval, with final approval to be made by the State Board of Community Colleges. A course taught without such approval will not yield any full-time equivalent students, as defined by the State Board of Community Colleges.”

Title 23 NCAC 02E .0403 *Instruction to Captive or Co-opted Groups*, states, in pertinent part, “(a) A college shall obtain State Board approval prior to providing instruction to students who are classified captive or co-opted. Captive or co-opted groups of students are defined as inmates in a correctional facility;...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	HRD P3001 043	Human Resources	220

This class was offered at the Federal Prison Camp. The college did not obtain State Board approval prior to providing instruction to students classified as captive or co-opted.

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

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	HOR 3314 672	Retail Floral Design	21

The class was scheduled and met for 27 hours, but reported for budget/FTE for 30 hours.

- N.C. General Statute 115D-5(b)* states in pertinent part, “...the State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees ... for training courses for volunteer firemen, local fire department personnel, volunteer rescue and lifesaving department personnel, local rescue and lifesaving department personnel...”

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

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;...”

Numbered Memorandum, CC89-031, *Waiver of Fees for Firefighting, Law Enforcement and Emergency Services Personnel*, states, in pertinent part, “Chapter 115D-5(b) authorizes the State Board of Community Colleges to waive tuition and fees for ‘local’ firefighting, law enforcement, rescue and lifesaving personnel...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	CJC 5020 319	Honor Guard Training	560

For populations noted in the aforementioned references, fees are waived for continuing education classes which relate to their job performance. This class does not fall in that category, and therefore, the students enrolled in and reported for budget/FTE for this class were fee waived inappropriately.

Recommendation: An audit exception is taken to 3,632 student membership hours reported for budget/FTE for students who did not meet reporting criteria outlined in the *NC General Statutes, Title 23 of the North Carolina Administrative Code, and Numbered Memoranda*. 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.

The Continuing Education classes cited are listed on the following page.

CONTINUING EDUCATION CLASSES CITED

<u>Contract Number</u>	<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
2713639	EMS 3025 3	Spring 2007	630	0	630
COS3201	COS 3201 242	Fall 2007	1,562	0	1,562
2720600	NUR 3240 1	Summer 2007	3,360	3,200	160
2710930	OSH 3013 1	Spring 2007	320	0	320
2712368	APR 3508 2	Spring 2007	924	891	33
2710903	MLS 3871 1	Summer 2007	465	450	15
CAS3020	CAS P3020 684	Fall 2007	294	237	57
HRD3001	HRD P3001 386	Fall 2007	150	96	54
HRD3001	HRD P3001 043	Fall 2007	220	0	220
HOR3314	HOR 3314 672	Fall 2007	210	189	21
CJC5020	CJC 5020 319	Fall 2007	560	0	<u>560</u>
Total Hours Excepted:					3,632

In addition, there was one area of concern that merits the college's attention discussed below:

Concern

During a review of curriculum classes offered, it was noted that the college offered four classes without requiring students to meet the Common Course Library requisite requirements.

- Title 23 NCAC 02E .0204, *Courses and Standards for Curriculum Programs*, states, in pertinent part, "The Combined Course Library and curriculum standards for associate degree, diploma, and certificate programs shall be as follows: (1) Combined Course Library Curriculum Courses. (c) A college shall use the course information (prefix; number; title; classroom, laboratory, clinical, and work experience contact hours; credit hours; prerequisites and corequisites; and course description) as listed in the Combined Course Library."

Numbered Memorandum, CC06-269, *Course Requisites*, states, in pertinent part, "Colleges are responsible for ensuring that students have satisfied prerequisites and corequisite requirements by documenting that they have either completed the appropriate courses or have demonstrated that they have the appropriate knowledge and skills required for admission to the course. Colleges should establish local policies for complying with this guidance."

Curriculum Procedures Reference Manual, Chapter 23 Guidelines and Definitions, states, in pertinent part, "Course Guidelines and Definitions. In accordance with North Carolina Administrative Code [23 NCAC 02E .0204(1)(c)], which states, 'The college shall use the

course information (prefix, number, title, and classroom, laboratory, clinical, work experience and credit hours; prerequisites and corequisites; and course description) as listed in the Combined Course Library,' it is the college's responsibility to ensure that the course information as listed in the Combined Course Library is used in the design and delivery of courses... The NCCCS uses the following definitions: *Corequisite*: A course taken at the same time as another course or prior to the course to be taken. *Prerequisite*: A course taken prior to another course."

Recommendation: Staff should review the aforementioned references to ensure compliance with policies and procedures which govern the North Carolina Community Colleges.

Staff should review all records reported for student membership hours for budget/FTE since Spring 2008 and make any necessary adjustments.

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

SUBMITTED BY: Amanda K. Tolar
Audit Dates: May 12 – June 9, 2009

ATTACHMENT NUMBER ONE

**Durham Technical Community College
Financial Adjustment
FY 2007 - 2008**

A total of 3,632 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
3,632	/ 688 =	5.28	\$4,249.46	\$22,437.15

Penalty N/A

Total Reversion \$22,437.15

The college should submit Form 104 to the System Office for \$22,437.00 to resolve the exception.

ATTACHMENT NUMBER TWO

Durham Technical 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>
DLT 126 001	A. Camacho	Main Campus	5/27/09	16	14
MAT 060 001	M. Anderson	Main Campus	5/27/09	24	18
PSY 150 190	P. Wooldridge	Blackboard Online	5/12/09	25	-
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>
COM 3730	A. Bennett	Main Campus	6/3/09	8	7
EMS 3044	L. Tilden	Orange Cty. Campus	5/12/09	18	18
FLI 3710	A. Guzman	Orange Cty. Campus	5/12/09	10	7
HEA 3002	A. Smith/S. Fifer	Blackboard Online	5/12/09	22	-
HRD 3001	S. Hare	Main Campus	6/3/09	5	4
HRD 3004	C. Bullock	Main Campus	5/12/09	10	- *1
MED 3030	M. Hamilton	Main Campus	5/27/09	11	7
MED 3030	A. Williamson	Main Campus	5/12/09	7	7
OSH 3001	J. Evans/K. King	Main Campus	5/27/09	20	20
RLS 3501	G. Fulghum	Main Campus	5/27/09	12	9
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10

*1 – Staff stated the class was being held as scheduled in a different building.

ATTACHMENT NUMBER THREE

**Durham Technical Community College
Student Hour in Membership Adjustment**

The College will adjust a total of 384 Curriculum Student Membership hours.

<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
CURRICULUM				
PED 120 170	Fall 2007	1,488	1,392	96
CHM 151 450	Fall 2007	1,728	1,632	96
HIS 121 102	Fall 2007	1,584	1,536	48
CHM 152 450	Spring 2008	1,728	1,632	96
HIS 122 102	Spring 2008	1,536	1,488	48
Total Hours To Be Corrected:				<u>384</u>

Total hours to be corrected will be 384 curriculum hours.