



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

April 3, 2009

Dr. Larry Keen, President
Fayetteville Technical Community College
P.O. Box 35236
Fayetteville, NC 28303-0236

Dear Dr. Keen:

Enclosed is the final audit report of findings from the recent audit conducted at Fayetteville Technical Community College pursuant to NC General Statute 115D-5(m). The college response dated March 17, 2009, concurred with these findings. Therefore, there is one audit 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,

Kennon D. Briggs
Executive Vice President and Chief of Staff

Enclosure

c: Mr. Charles Harrell, 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
Ms. Betty Smith, Chief Financial Officer, Fayetteville Technical Community College
System Office Vice Presidents

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North Carolina Community College System

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

An audit was conducted at Fayetteville 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 audit exception and one area of concern were noted and are discussed below.

Exception

During a review of curriculum course offerings, a number of errors were noted which resulted in 1,024 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, (b) Regularly Scheduled Classes, (2) "A student shall be considered to be in class membership when the student meets all of the following

criteria:..(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 2007	BAF 222	Money and Banking	48
Fall 2007	ENG 232	American Literature II	48
Spring 2008	CIS 111	Basic PC Literacy	48

In each of these classes, one student joined the class after the ten percent point, but was counted for budget/FTE.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	NET 126	Routing Basics	80
Spring 2008	SOC 230	Race and Ethnic Relations	48

In each class, one student dropped the class prior to the ten percent point, but was counted for budget/FTE.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	POS 110	POS History & Organization	48
Spring 2008	NAS 103	Home Health Care	64

Student membership hours were over-reported for budget/FTE due to miscalculation of total students enrolled in the class at the ten percent point.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (f)(2)Work Experience, “Work experience for curriculum courses shall earn budget/FTE at the 100 percent rate of assigned work experience hours and shall not exceed a maximum of 320 membership hours per student per semester.”

Curriculum Procedures Reference Manual, Section 20, *Cooperative Education (Work Experience)*, states, in pertinent part, **CO-OP REGULATIONS IN THE NORTH CAROLINA ADMINISTRATIVE CODE**, “It is the responsibility of colleges to develop and implement local procedures to ensure compliance with Title 23 of the North Carolina Administrative Code (NCAC). The following excerpts from the NCAC may be useful when

starting a new, or revising, an existing co-op program...(8) 2D.0323(f)(2) Earning Budget/FTE for Co-op, "Work experience for curriculum courses shall earn budget/FTE at the 100 percent rate of assigned work experience hours and shall not exceed a maximum of 320 membership hours per student per semester..."

NOTE: Students can receive one (1) semester hour credit for 160 hours of work experience or two (2) semester hour credits for 320 hours of work experience. If students work 480 contact hours (3 SHC) or 640 contact hours (4 SHC), only 320 hours can be reported for budget/FTE..."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	COE 113	Co-Op Experience I	320
Spring 2008	COE 123	Co-Op Experience II	160

Two students were enrolled in COE 113, and 480 hours were counted for budget/FTE for each student. One student was enrolled in COE 123, and 480 hours were counted for budget/FTE.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (f)(2) Work Experience. (C) "The college shall maintain documentation of all student work experience hours."

Curriculum Procedures Reference Manual, Section 20, Cooperative Education (Work Experience), states, in pertinent part, **REPORTING CO-OP HOURS FOR BUDGET FTE**, 1. Membership Hours, "Students enroll in a co-op class and colleges report the hours the same as any other course. If the college elects to report the co-op hours as membership hours, the student must actually begin the work experience activity. In situations where the student attends a co-op orientation meeting, but never participates in the work experience activity, the college shall not report any hours for budget FTE."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	COE 131	Co-Op Work Experience III	160

Student membership hours were incorrectly reported for one student, as there was no documentation that the student actually participated in the work experience.

Recommendation: An audit exception is taken to 1,024 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 and the Curriculum Procedures Reference Manual*. 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 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>
BAF 222	Fall 2007	672	624	48
ENG 232	Fall 2007	912	864	48
CIS 111	Spring 2008	960	912	48
NET 126	Fall 2007	2400	2320	80
SOC 230	Spring 2008	672	624	48
POS 110	Fall 2007	480	432	48
NAS 103	Spring 2008	512	448	64
COE 113	Spring 2008	960	640	320
COE 123	Spring 2008	480	320	160
COE 131	Spring 2008	480	320	160
Total Hours Excepted:				1,024

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

Concern

In a review of the records retention and disposition procedure for permanent records, it was noted that the college has not archived any permanent records since fiscal year 2005-06.

RECORDS RETENTION AND DISPOSITION SCHEDULE AMENDMENT, states, in pertinent part, "**Item 45545. STUDENT TRANSCRIPTS FILE.** Official listings of grades, hours of attendance, and continuing education credits (CEUs) earned for each student. (Comply

with applicable provisions of 20 USCA 1232g regarding confidentiality of student records.)
Amended 09-25-03.

DISPOSITION INSTRUCTIONS: College must choose one of the following options: (A) Microfilm in agency or by outside vendor according to standards established by the N.C. Division of Historical Resources after 1 year. Destroy returned paper records in office after microfilming and after all quality checks are completed. The original copy (silver-halide) of microfilm will be stored permanently in an offsite storage location and a duplicate copy of microfilm will be retained in the office permanently. Or (B) Scan in office records onto optical disk when received. Transfer security copy to off-site location for backup storage. College representative will update routinely. Retain in office scanned images permanently. Destroy in office paper copies of scanned records after all quality control procedures have been completed. (When college replaces 'old' technology, it must either retain its old technology sufficient to retrieve and print information or if a conversion is made to a new technology, the new technology must have the capability to generate a printed copy.) Or (C) Transfer official listings of grades, hours of attendance, and continuing education credits (CEUs) earned for each student when administrative value ends to the College Archives for permanent retention. Transfer a duplicate photocopy of the official listings of grades, hours of attendance, and continuing education credits (CEUs) earned for each student to an offsite location for security storage. Note: Colleges that do not have an Archives should establish an Archives program or store the records concerned in a secure, protected, environmentally stable area.”

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

SUBMITTED BY: Amanda K. Tolar
Audit Dates: December 16, 2008 – January 26, 2009

ATTACHMENT NUMBER ONE

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

A total of 1,024 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
1,024	/ 512 =	2	\$4,872.90	<u>\$9,745.80</u>
Sub-Total Reversion		\$9,745.80		
Sub-Total Penalty		\$.00		
Total		<u>\$9,745.80</u>		

The college should submit Form 104 to the System Office for \$9,746.00 to resolve the exception.

ATTACHMENT NUMBER TWO

**Fayetteville 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>
BIO 111	V. Miller	Spring Lake Campus	1/16/09	23	13
CJC 121	P. Anderson	Spring Lake Campus	1/16/09	8	4
CTS 120	G. Lininger	Main Campus	1/13/09	12	<u>10</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>
ANS 3011	E. Shannon/J. King	Main Campus	1/13/09	9	8
BSP 2000	B. Carman/R. Hardin	Main Campus	12/16/08	52	5
BSP 2000	H. Jackson	Korean Pres. Church	1/16/09	8	8
CAR 3112	M. Gaster/G. Hall	Main Campus	1/13/09	13	12
CAS 3010	B. Mays	Main Campus CBI	12/16/08	13	7
CJC 3952	T. Turner	Cumb. Cty. Det. Ctr.	12/16/08	-	- *1
ELC 3119	W. Rinehart	Main Campus CBI	1/13/09	-	- *1
ELN 3120	Ed2Go	Online	1/23/09	5	4
EMS 3080	J. Messenger	Spring Lake Campus	1/16/09	12	12
NUR 3235	V. McCormich	Main Campus CBI	1/13/09	27	<u>21</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10

*1 – Class was cancelled. Staff aware.