



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. R. Scott Ralls, President

July 15, 2009

Dr. Myra Johnson, President
Isothermal Community College
Post Office Box 804
Spindale, North Carolina 28160

Dear Dr. Johnson:

Enclosed is the final audit report of findings from the recent audit conducted at Isothermal Community College pursuant to NC General Statute 115D-5(m). The college response dated July 2, 2009, did concur with these findings. Therefore, there is one 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,

Kennon D. Briggs
Executive Vice President and Chief of Staff

Enclosure

c: Mr. James R. Hutchins, 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. Stephen Matheny, Isothermal Community College
System Office Vice Presidents

**North Carolina Community College System
Audit Findings for Isothermal Community College
Spring Semester 2007 - Spring Semester 2008**

An audit was conducted at Isothermal 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, an error was noted which resulted in 624 student membership hours incorrectly reported for budget/FTE. The error is summarized below:

- Title 23 NCAC 02D .0323(2), *Reporting Of Student Hours In Membership For Curriculum Classes*, states, in pertinent part, "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 wavier as defined in G.S. 115D-5(b); (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>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
Fall 2007	CJC 100 100	Basic Law Enforcement	9,984	9,360	624

Student membership hours were incorrectly reported for one student due to student withdrawing from class before the 10 percent point of class.

Recommendation: An audit exception is taken to 624 student membership hours for a student who 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 Semester 2008 and make any necessary adjustments.

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

SUBMITTED BY: Jim Benton, Ed.D.
Audit Dates: March 19 - April 7, 2009

ATTACHMENT NUMBER ONE

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

A total of 624 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
624	/ 512 =	1.22	\$4,872.90	<u>\$5,944.94</u>

25% Penalty Calculation

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

Sub-Total Reversion	\$	5,944.94
Sub-Total Penalty	\$	-0-
Total	<u>\$</u>	<u>5,944.94</u>

The college should submit Form 104 to the System Office for \$5,945.00 to resolve the exception.

ATTACHMENT TWO
Isothermal 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>
COS 114	C. Toney	Main Campus	4/7/09	20	18
ELN 133	S. Hollifield	Main Campus	4/7/09	20	18
NUR 135	N. Smith	Main Campus	4/2/09	33	<u>30</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>
ACC 3107	Ed-to-Go	Online	4/1/09	1	1
BSP 2000	M. Stanley	Main Campus	3/18/09	45	28
BSP 2000	P. Ruff	Polk Campus	3/30/09	7	7
HRD 3002	J. McDowell	Main Campus	3/18/09	22	15
HRD 3002	S. Calhoun	Main Campus	4/7/09	71	17
HRD 3003	C. Logan	Main Campus	4/7/09	8	8
MLA 3022	D. Kleiner	Polk Campus	4/2/09	16	9
NUR 3240	K. Hamilton	Polk Campus	4/2/09	11	10
NUR 3242	J. Baynard	Main Campus	4/7/09	17	14
TRA 3607	D. Margarita	Main Campus	3/18/09	7	<u>7</u> *1
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10

*1 – No attendance roster was available for review. Notified staff.