



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**  
*Dr. R. Scott Ralls, President*

January 15, 2009

Dr. Lawrence Rouse, President  
James Sprunt Community College  
P.O. Box 398  
Kenansville, NC 28349-0398

Dear Dr. Rouse:

Enclosed is the final audit report of findings from the recent audit conducted at James Sprunt Community College pursuant to NC General Statute 115D-5(m). The college response dated November 25, 2008, provided supportive documentation which was incorporated into the report. Therefore, there is one audit exception and one area of 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: Ms. Zettie Williams, 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. John Hardison, Dean of Administrative and Fiscal Services, James Sprunt Community College
- System Office Vice Presidents

## North Carolina Community College System

### Audit Findings for James Sprunt Community College Spring Semester 2007 – Spring Semester 2008

An audit was conducted at James Sprunt 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 continuing education course offerings, a number of errors were noted which resulted in 2,709 student membership hours incorrectly reported for budget/FTE. The errors are summarized below:

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (a) "Regularly Scheduled Classes. (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	FIP 3225 018	Haz Mat Ops/Terr II	135
Spring 2007	FIP 3321 550	Fire Prevention	21
Spring 2007	FIP 4729 282	Urban & Rural Water Supply	12
Spring 2007	FIP 5511 841	RT VMR Extraction	63
Fall 2007	FIP 3307 502	Forcible Entry I & II	36
Fall 2007	FIP 3310 722	Ladders I & II	90
Fall 2007	FIP 5511 793	RT VMR Extraction	21
Fall 2007	HRD 3005 691	Introduction to the Internet	40

Student membership hours were incorrectly reported for budget/FTE for students 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>
Spring 2007	EMS 3044 427	EMT Basic Initial	561
Spring 2007	EMS 3044 429	EMT Basic Initial	374
Summer 2007	CJC 3950 442	Basic Crime Scene Invest.	+80

- 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. 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 5050 429	New Employee Orientation	8
Fall 2007	CJC 3952 466	DOC In-service	+360

In each of these classes, the total number of hours was miscalculated and reported for budget/FTE.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	EMS 3000 561	Basic Anatomy & Physiology	36
Spring 2007	FLI 3710 768	Conversational Spanish	21
Summer 2007	SAF 3014 745	CPR	8
Fall 2007	AUT 3128 955	NC Vehicle Safety Inspection	40
Fall 2007	EMS 3060 989	Capnography & 12 Lead	1,260

In each of these classes, the class was scheduled for less hours than the number of hours reported for budget/FTE per student.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, (a) "Regularly Scheduled Classes. (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. (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. 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	FIP 4728 736	Basic Fire Fighting	95

This class was scheduled for 13 hours, but 17 hours were reported for budget/FTE for each student enrolled (-44 hours). Student membership hours were incorrectly reported for budget/FTE for three students who did not attend class prior to or on the ten percent point of the class (-51 hours). Total hours excepted equal 95.

- Numbered memorandum CC04-109 *Clarification of Reporting and Documenting Student Membership Hours for Distance Education Courses and Course Orientation*, states, in pertinent part, "...For classes which have a specific beginning date, class schedule, and ending date, computation of the 10% point should be based on the actual date at which 10% of the class time occurs. For example, for an information highway class or a telecourse with a fixed schedule, the 10% census point should be calculated in the same manner that it is computed for traditional delivery classes.

For those classes that are self-paced and/or open-entry/open-exit, the 10% point may be based on course content, rather than an arbitrary date. For example, for a class that is offered via the Internet that has an open registration period and/or is self-paced, students counted in membership must have completed at least one assignment or attended a session prior to the point where they have completed 10% of the class content. To utilize this method, the college must clearly designate the particular lesson or class assignment at which the 10% point of the class content occurs. As long as the student meets membership requirements (registration, tuition and/or fee payment, completion of an assignment or lesson) without withdrawing prior to or at the point where the 10% of the class content is delivered, the student may be counted in membership for FTE reporting purposes.

... It is the college's responsibility to monitor student progress and provide documentation for audit purposes that students counted in membership attended a session or completed an assignment prior to or at the 10% point of the class, regardless of which method is used to determine the 10% census point. It must be clear what method was used to compute the 10% point."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2007	ELN 3006 595	Computer Repair	24

For one student enrolled in this distance learning class, there was no documentation to verify enrollment either using the 10% point based on course content or an arbitrary date.

- 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	HRD 3003 010	HRD Orientation	160
Spring 2007	HRD 3003 198	Career Planning & Assess.	144

In HRD 3003 010, each student enrolled was reported for 16 hours for budget/FTE, but the instructor was paid for eight hours. In HRD 3003 198, the instructor was not paid for any of the hours reported, but each student was reported for 16 hours for budget/FTE.

**Recommendation:** An audit exception is taken to 2,709 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 *Numbered Memorandum*. 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 Semester 2007 and make any necessary adjustments.

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>
018	FIP 3225	Spring 2007	621	486	135
550	FIP 3321	Spring 2007	252	231	21
282	FIP 4729	Spring 2007	228	216	12
841	FIP 5511	Spring 2007	588	525	63
502	FIP 3307	Fall 2007	180	144	36
722	FIP 3310	Fall 2007	270	180	90
793	FIP 5511	Fall 2007	630	609	21
691	HRD 3005	Fall 2007	600	560	40
427	EMS 3044	Spring 2007	4,301	3,740	561
429	EMS 3044	Spring 2007	1,309	935	374
442	CJC 3950	Summer 2007	56	136	+80
429	CJC 5050	Spring 2007	192	184	8

**CONTINUING EDUCATION** (continued)

<u>Section Number</u>	<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
466	CJC 3952	Fall 2007	40	400	+360
561	EMS 3000	Spring 2007	864	828	36
768	FLI 3710	Spring 2007	252	231	21
745	SAF 3014	Summer 2007	56	48	8
955	AUT 3128	Fall 2007	80	40	40
989	EMS 3060	Fall 2007	1,620	360	1,260
736	FIP 4728	Spring 2007	238	143	95
595	ELN 3006	Spring 2007	24	0	24
010	HRD 3003	Spring 2007	320	160	160
198	HRD 3003	Spring 2007	144	0	<u>144</u>
<b>Total Hours Excepted:</b>					<b>2,709</b>

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

**Concern**

In a review of skills lab hours, it was noted that contact hours were recorded and reported for budget/FTE when the students were working on assignments that were neither remedial nor developmental in nature.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes* states, in pertinent part, (d) "Skills Laboratory or Computer Tutorial Laboratory. Individualized instructional laboratories are similar to learning laboratories (see 23 NCAC 02D .0324(b)(6)) except the participants are curriculum students. Skills labs or computer tutorial labs are remedial or developmental in nature and intended for students who are experiencing academic difficulty in a particular curriculum course. A skills laboratory instructor shall be qualified in the single-subject area of the skills laboratory. A computer tutorial laboratory coordinator need not be qualified in any of the subject area(s) provided in a computer tutorial laboratory. Student contact hours may be reported for budget/FTE when students are required by their instructor to attend either of the laboratories for remedial or developmental work and when the skills laboratory instructors or computer tutorial coordinators are paid with curriculum instructional funds.

- (1) Documentation of instructor referral shall be maintained for auditing purposes. Maintain documentation until released by audit.
- (2) Homework assignments shall not be reported for budget/FTE. (See 23 NCAC 02D .0325(a)).
- (3) Calculation of Student Contact Hours for Skills Laboratory or Computer Tutorial Laboratory. For these classes, actual time of class attendance shall be reported; 60 minutes shall constitute an hour. Student hours generated for these types of classes are the sum of all the hours of actual student attendance in a class in a given semester.”

**Recommendation:** 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: Amanda K. Tolar  
Audit Dates: September 10 – October 1, 2008

**ATTACHMENT NUMBER ONE**

**James Sprunt Community College  
Financial Adjustment  
FY 2007 - 2008**

A total of 2,709 Continuing Education hours were cited that require a financial adjustment:

**FTE Calculation Worksheet**

**Continuing Education \$ Value \$4,249.46**

**Continuing Education**

<b>Hours</b>	<b>/ 688 =</b>	<b>Continuing Education FTE</b>	<b>Continuing Education Value</b>	<b>Sub-Total Reversion</b>
<b>2,709</b>	<b>/ 688 =</b>	<b>3.94</b>	<b>\$4,249.46</b>	<b><u>\$16,742.87</u></b>

<b>Sub-Total Reversion</b>	<b>\$16,742.87</b>
<b>Sub-Total Penalty</b>	<b><u>.00</u></b>
<b>Total</b>	<b><u>\$16,742.87</u></b>

The college should submit Form 104 to the System Office for \$16,743.00 to resolve the exception.

## ATTACHMENT NUMBER TWO

### James Sprunt 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>
MAT 171	M. Tabor	Wallace Rose HS	09/10/08	9	8
MUS 113	J. Rhodes	James Kenan HS	09/10/08	-	- *1
PSY 150	A. Holmes	N. Duplin HS	09/10/08	13	<u>13</u>
<b>Total CURRICULUM Class Visits/Program Reviews to Date:</b>					<b>3</b>

\*1 Due to an incident on campus, school was locked down. The college and high school staff stated that classes were held during this period.

#### 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	D. Fisher	Duplin Corr. Center	09/10/08	13	8
CJC 3952	J. Perry	Main Campus	09/10/08	22	22
COM 3724	Ed2Go	Internet	09/23/08	1	1
CSP 3000	F. Cooper	Main Campus	09/10/08	4	4
HRD 3002	A. Bea	Main Campus	09/10/08	4	2
NUR 3240	T. Sessoms	Main Campus	09/18/08	12	<u>9</u>
<b>Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:</b>					<b>6</b>