



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

*Dr. R. Scott Ralls, President*

June 23, 2009

Dr. Michael R. Taylor, President  
Stanly Community College  
141 College Drive  
Albemarle, NC 28001

Dear Dr. Taylor:

Enclosed is the final audit report of findings from the recent audit conducted at Stanly Community College pursuant to NC General Statute 115D-5(m). The college response dated June 15, 2009, concurred with these findings. Therefore, there are two audit exceptions and two areas 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: Mr. Elbert Whitley, 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  
Becky Wall, Chief Financial Officer, Stanly Community College  
System Office Vice Presidents

# North Carolina Community College System

## Audit Findings for Stanly Community College Spring Semester 2007 – Spring Semester 2008

An audit was conducted at Stanly 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. The college should respond to the preliminary audit report in writing within thirty days of receipt of this report. If points of disagreement exist regarding the preliminary report, the college may request a conference with the Executive Director, Audit Services and/or the Executive Vice President and Chief of Staff to present pertinent information regarding the issue(s) in question. After reviewing all available information, a final audit report will be developed and forwarded to the college. 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 State 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 the Attachment.

Based on the site review, two audit exceptions and two areas of concern were noted and are discussed below.

### **Exception One**

During a review of curriculum course offerings, a number of errors were noted which resulted in 4,489 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, “(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). Pertinent excerpts are as follows:...(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>
Fall 2007	COE 113 13	Co-op Work Experience I	+480

This was a two credit hour co-op, but only 160 hours were reported for each student when it should have been 320 hours.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, “(f)(2) Work Experience. (B) These classes shall be specified in the approved curriculum of the college consistent with the applicable curriculum standard...”

Numbered memorandum CC99-235 *Computerized Audit Programs*, states, in pertinent part, “For the last several years, the Education Program Auditors have utilized several computerized audit programs as a part of the annual program audit process. These programs (CC.IA) have been made available to all of the colleges through periodic software releases in order to enhance each college’s internal auditing capability... Each college should determine its own internal procedures for the use of this software and for internal access by college personnel. Some programs affect only continuing education, some affect only curriculum, and others affect both program areas. It is highly recommended that colleges run these programs each semester on a regular basis to identify and correct problems before they become audit issues. Typically, colleges who routinely run these reports have a much lower incidence of reporting errors that end up being cited as audit exceptions. When colleges run the reports and make corrections, it is required that a copy of the report and

documentation of any resulting adjustments be maintained and available for review during the audit.”

*Curriculum Procedures Reference Manual, Section 20-5, Cooperative Education (Work Experience), Curriculum Program Restrictions*, states, “A student must be enrolled in a curriculum program to participate in a cooperative work experience activity. A curriculum student cannot be ‘tuition exempted’. Students in the following academic codes **may not** participate in co-op...Special Credit Student (T90990)”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	COE 121 19	Co-op Work Experience I	150

Student membership hours were incorrectly reported for one student coded as a Special Credit Student (T90990).

- 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: (A) enrolled as evidenced by payment of the applicable tuition and fees, or obtained a waiver 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>Hours Excepted</u>
Fall 2007	ACA 111 80E	College Student Success	+48
Fall 2007	CJC 100 81	Basic Law Enforcement Trng	620
Fall 2007	DFT 151 01	CAD I	80
Fall 2007	GRD 152 90	Computer Design Tech I	80
Fall 2007*	ACA 111 90	College Student Success	+48
Fall 2007*	ACA 111 90E	College Student Success	+32
Fall 2007*	BIO 163 84	Basic Anatomy and Phys	288
Fall 2007*	BUS 110 80E	Introduction to Business	48
Fall 2007*	BUS 121 80E	Business Math	+64
Fall 2007*	COE 115 61T	Work Experience Seminar I	16
Fall 2007*	COS 115 01	Cosmetology Concepts III	64
Fall 2007*	COS 116 02	Salon III	+192
Fall 2007*	COS 117 02	Cosmetology Concepts IV	+32

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007*	COS 250 01	Computerized Salon Op	16
Fall 2007*	DFT 151 90E	CAD I	+80
Fall 2007*	EDU 119 02	Intro to Early Childhood Edu	+64
Fall 2007*	ENG 095 05	Reading and Comp Strategies	+80
Fall 2007*	ENG 095 84	Reading and Comp Strategies	80
Fall 2007*	ENG 111 04	Expository Writing	+48
Fall 2007*	ENG 111 06	Expository Writing	+48
Fall 2007*	ENG 113 61	Literature-Based Research	96
Fall 2007*	GRD 142 01	Graphic Design II	+96
Fall 2007*	HSE 125 01	Counseling	+64
Fall 2007*	MAT 060 04	Essential Mathematics	+80
Fall 2007*	MAT 060 84	Essential Mathematics	80
Fall 2007*	MAT 070 84	Introductory Algebra	80
Fall 2007*	MAT 140 04	Survey of Mathematics	48
Fall 2007*	MAT 140 81	Survey of Mathematics	+48
Fall 2007*	MED 130 90	Admin Office Procedures I	+48
Fall 2007*	MED 130 90S	Admin Office Procedures I	+48
Fall 2007*	NOS 220 01	Linus/UNIX Admin I	64
Fall 2007*	PSY 150 WSHS	General Psychology	48
Fall 2007*	REL 221 01	Religion in America	48
Fall 2007*	SPA 211 01	Intermediate Spanish I	+48
Spring 2008	BIO 166 02	Anatomy and Physiology II	+192
Spring 2008	SOC 210 01SEC	Introduction to Sociology	+144

Classes listed with an asterisk are a part of the Fall Semester 2007 expanded audit review. Membership hours were reported for budget/FTE for students who did not attend prior to the 10 percent point in the class or dropped prior to or on the 10 percent point.

- GS 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..."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	BUS P230 71	Small Business	39
Fall 2007	ISC P112 71	Industrial Safety	35

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007*	AHR P113 71	Comfort Cooling	100
Fall 2007*	ELC P118 71	National Electrical Code	39
Spring 2008	ISC P112 71	Industrial Safety	81

Classes listed with an asterisk are a part of the Fall Semester 2007 expanded audit review. For each of the classes listed, the number of students entered at the 10 percent point of the class was miscalculated in each of these classes.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, “(c) Non-Regularly Scheduled Classes. (4) Calculation of Student Contact Hours for Non-Regularly Scheduled Classes. For these classes, actual time of class attendance for each student determined to be in membership shall be reported. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester, and shall not exceed the hours in the approved curriculum program of study compliance document...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	ACC P120 71	Principles of Acctg I	33
Fall 2007	AHR P110 71	Intro to Refrigeration	83
Fall 2007	CIS P110 71	Intro to Computers	12
Fall 2007	NOS P110 71	Database Concepts	203
Fall 2007*	AHR P112 71	Heating Technology	110
Fall 2007*	AHR P114 71	Heat Pump Technology	+96
Fall 2007*	CET P111 71	Computer Upgrade/Repair I	+417
Fall 2007*	CTS P130 71	Spreadsheet	+19
Fall 2007*	CTS P217 71	Computer Train/Support	+3
Fall 2007*	DBA P110 71	Database Concepts	41.5
Fall 2007*	ELC P113 71	Basic Wiring I	9
Fall 2007*	OST P131 71	Keyboarding	+201
Fall 2007*	OST P136 71	Word Processing	39
Spring 2008	ACC P120 71	Principles of Acctg I	+541.5
Spring 2008	CET P110 71	Intro to CET	3

Classes listed with an asterisk are a part of the Fall Semester 2007 expanded audit review. The contact hours for the classes listed were miscalculated.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, “(c) Non-Regularly Scheduled Classes. (4) Calculation of Student Contact Hours for Non-Regularly Scheduled Classes. For these classes, actual time of class attendance for each student determined to be in membership shall be reported. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester, and shall not exceed the hours in the approved curriculum program of study compliance document...”

*Curriculum Procedures Reference Manual, Section 20, Cooperative Education (Work Experience)*, states, in pertinent part, “Reporting Co-op Hours for Budget FTE, 2. Contact Hours...Colleges report only hours (contact) that are actually worked.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007*	COE 112 13	Co-op Work Experience I	+90
Fall 2007*	COE 112 16	Co-op Work Experience I	+320
Fall 2007*	COE 121 19	Co-op Work Experience II	+321
Fall 2007*	COE 121 28B	Co-op Work Experience II	24

Classes listed are part of the Fall Semester 2007 expanded audit review. The actual number of hours worked by students was incorrectly reported.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, “(c) Non-Regularly Scheduled Classes. (2) Definition of Student Membership. A student is considered to be in class membership when the student meets the following criteria...(B) attended one or more classes.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	CET P111 71	Computer Upgrade/Repair I	66
Spring 2008	DFT 151 71	CAD I	74
Spring 2008	OST 136 71	Word Processing	39

Student hours were reported for budget/FTE for students who did not attend one or more classes.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, “(e) Classes Identified as Curriculum Non-Traditional Delivery. (2) For those classes identified as non-traditional delivery, student attendance in class or in an orientation session, submission of a written assignment or submission of an examination, is the basis for the determination of class membership at the 10 percent point of the class. Student membership hours earned in non-traditional delivery classes shall be

calculated by multiplying the number of students in membership, as defined by the prior sentence, times the number of hours assigned to the class in official college documents..."

CC04-109 *Clarification of Reporting and Documenting Student Membership Hours for Distance Education Courses and Course Orientation*, states, in pertinent part, "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 percent point of the class, regardless of which method is used to determine the 10 percent census point. It must be clear what method was used to compute the 10 percent point. Documentation of class membership in distance education courses should provide a record of student participation similar to that provided by the class attendance documents for traditional delivery classes. This documentation may be maintained electronically, such as a record of emails between students and the instructor, or may be a hard copy, such as an instructor maintained attendance or student contact record. In either case, the documentation must be certified by the instructor or college staff responsible for the course and must be available for audit review."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	CJC 222 95	Criminalistics	48
Fall 2007	EDU 119 94	Intro to Early Childhood Edu	64
Fall 2007	EDU 145 96	Child Development II	48
Fall 2007	EDU 188 97	Issues in Early Childhood Edu	32
Fall 2007	EDU 262 96	Early Childhood Admin II	288
Fall 2007	HIS 132 95	American History II	48
Fall 2007	PSY 241 96	Developmental Psychology	48
Fall 2007	SOC 213 95	Sociology of the Family	+48
Fall 2007*	ACA 111 94	College Student Success	16
Fall 2007*	ACA 111 99	College Student Success	16
Fall 2007*	ACA 118 95	College Study Skills	96
Fall 2007*	ACC 149 95	Intro to Acct Spreadsheets	48
Fall 2007*	ACC 150 95	Accounting Software Appl	+48
Fall 2007*	BIO 140 95	Environmental Biology	48
Fall 2007*	BIO 140A 95	Environmental Lab	48
Fall 2007*	BIO 165 95	Anatomy and Physiology I	96
Fall 2007*	BUS 151 95	People Skills	48
Fall 2007*	CCT 121 102	Computer Crime Inv	80
Fall 2007*	CET 111 101	Computer Upgrade/Repair I	160
Fall 2007*	CET 111 104	Computer Upgrade/Repair I	160
Fall 2007*	CIS 110 94	Introduction to Computers	64

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007*	CIS 110 96	Introduction to Computers	64
Fall 2007*	CIS 110 97	Introduction to Computers	+128
Fall 2007*	CIS 110 99	Introduction to Computers	+128
Fall 2007*	CIS 111 101	Basic PC Literacy	48
Fall 2007*	CIS 111 102	Basic PC Literacy	48
Fall 2007*	CJC 121 95	Law Enforcement Operations	336
Fall 2007*	CJC 212 95	Ethics & Community Rel	+48
Fall 2007*	COE 115 95	Work Experience Seminar I	16
Fall 2007*	EDU 119 97	Intro to Early Childhood Edu	192
Fall 2007*	EDU 119 99	Intro to Early Childhood Edu	64
Fall 2007*	EDU 144 95	Child Development I	96
Fall 2007*	EDU 146 95	Child Guidance	144
Fall 2007*	EDU 146 96	Child Guidance	48
Fall 2007*	EDU 146 99	Child Guidance	48
Fall 2007*	EDU 147 95	Behavior Disorders	48
Fall 2007*	EDU 151 99	Creative Activities	+48
Fall 2007*	EDU 153 99	Health, Safety, and Nutrition	48
Fall 2007*	EDU 252 97	Math & Science Activities	48
Fall 2007*	EDU 261 97	Early Childhood Admin I	48
Fall 2007*	EDU 262 97	Early Childhood Admin II	48
Fall 2007*	ELC 131 101	DC/AC Circuit Analysis	224
Fall 2007*	ELN 236 101	Fiber Optics and Lasers	160
Fall 2007*	ENG 095 95	Reading & Comp Strategies	+80
Fall 2007*	ENG 115 95	Oral Communication	96
Fall 2007*	MAT 151 95	Statistics I	48
Fall 2007*	SOC 210 96	Intro to Sociology	+48
Fall 2007*	SOC 210 98	Intro to Sociology	144
Fall 2007*	SOC 232 95	Social Context of Aging	+48
Fall 2007*	SPA 181 95	Spanish Lab I	192
Fall 2007*	TNE 111 102	Campus Networks I	+80
Fall 2007*	TNE 111 103	Campus Networks	80
Fall 2007*	TNE 235 101	Data Comm over WAN	80
Spring 2008	TNE 111 101	Campus Networks I	80
Spring 2008	TNE 121 102	Campus Networks II	240

Classes listed with an asterisk are part of the Fall Semester 2007 expanded audit review. For these non-traditional classes, there was a designated 10 percent point. Membership hours were reported for students who did not attend or dropped prior to the 10 percent point.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, (a) Academic Semester. The academic semester for all credit courses shall be designed so that all classes may be scheduled to include the number of instructional hours shown in the college catalog and the approved curriculum program of study compliance document and reported for FTE purposes (see 23 NCAC 2E .0201(a) and 23 NCAC 2D .0301(a)(3))...Length of semesters or courses may vary as long as credit hours are assigned consistent with 23 NCAC 1A .0101 and as long as membership hours are reported consistent with the other provisions of this Rule..." and "(b) Regularly-Scheduled Classes...(4) Calculation of Student Membership Hours for Regularly Scheduled Classes. Student membership hours are obtained by multiplying the number of students in membership at the 10 percent point in the class by the total number of hours the class is scheduled to meet for the semester as stated in the college catalog and the approved curriculum program of study compliance document (see 23 NCAC 02E .0204(4))."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	CJC 100 61	Basic Law Enforcement Trng	48
Fall 2007	CJC 100 81	Basic Law Enforcement Trng	72
Fall 2007*	CET 211 71	Computer Upgrade/Repair II	122
Fall 2007*	MKT 120 71	Principles of Marketing	12
Spring 2008	PED 111 90	Physical Fitness I	528

Classes listed with an asterisk are part of the Fall Semester 2007 expanded audit review. For the CJC 100 classes offered Fall 2007, 620 hours were scheduled, but 624 hours reported for budget/FTE. For PED 111 90, the class was not offered Spring 2008, but hours were reported for budget/FTE. The class was offered Fall 2007, and hours were reported for budget/FTE. For the CET 211 71 and MKT 120 71 classes listed, student hours were reported for budget/FTE for more hours than stated in the college catalog and the approved curriculum program of study.

- Title 23 NCAC 02D .0202 *Tuition and Fees for Curriculum Programs*, states in pertinent part, "(a) Tuition...(7) Tuition Waivers. (C) Basic Law Enforcement Training Program (BLET) for law enforcement officers. All law enforcement officers employed by a municipal, county, state, or federal law enforcement agency when taking courses in a state-mandated BLET training program, are exempt from tuition payment. Also, trainees shall be exempt from BLET class tuition if a letter of sponsorship from a state, county, or municipal law enforcement agency is on file at the college."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	CJC 100 61	Basic Law Enforcement Trng	620

One student was sponsored by a private university, and hours were reported for budget/FTE.

- 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: (A) enrolled as evidenced by payment of the applicable tuition and fees, or obtained a waiver 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...and (5) Maintenance of Records of Student Membership Hours. Accurate attendance records shall be maintained for each class through the 10 percent point of the class...”

Title 23 NCAC 02D .0325 *Limitation in Reporting Student Membership Hours*, states, in pertinent part, “(6) Proficiency or challenge exams except that the actual time required to take the exam may be counted in membership; students shall be registered in the class consistent Paragraph (a) of Rules .0202 and .0203 of the Subchapter.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	SPA 111 01	Elementary Spanish 1	48

One student completed and passed a proficiency exam prior to the 10 percent point of the class, and therefore, was no longer attending the class on the 10 percent point.

- Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part, “(c) Non-Regularly Scheduled Classes. “(1) A non-regularly scheduled class may include ... (C) a class self-paced in that the student progresses through the instructional materials at the student’s own pace, and can complete the class as soon as the student has successfully met the educational objectives. Classes offered as independent study are generally offered in this manner...and “(c)(4) Calculation of Student Contact Hours for Non-Regularly Scheduled Classes. For these classes, actual time of class attendance for each student determined to be in membership shall be reported. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester...and “(e) Classes Identified as Curriculum Non-Traditional Delivery. (2) For those classes identified as non-traditional delivery, student attendance in class or in an orientation session, submission of a written assignment or submission of an examination, is the basis for the determination of class membership at the 10 percent point of the class. Student

membership hours earned in non-traditional delivery classes shall be calculated by multiplying the number of students in membership, as defined by the prior sentence, times the number of hours assigned to the class in official college documents..."

CC04-109 *Clarification of Reporting and Documenting Student Membership Hours for Distance Education Courses and Course Orientation*, states, in pertinent part, "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 percent point of the class, regardless of which method is used to determine the 10 percent census point. It must be clear what method was used to compute the 10 percent point. Documentation of class membership in distance education courses should provide a record of student participation similar to that provided by the class attendance documents for traditional delivery classes. This documentation may be maintained electronically, such as a record of emails between students and the instructor, or may be a hard copy, such as an instructor maintained attendance or student contact record. In either case, the documentation must be certified by the instructor or college staff responsible for the course and must be available for audit review."

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007*	CET 111 00	Computer Upgrade/Repair I	160
Fall 2007*	CIS 115 00	Intro to Prog and Logic	80
Fall 2007*	CJC 221 00	Investigative Principles	160
Fall 2007*	EDU 282 00	Early Childhood Literature	48
Fall 2007*	ENG 111 00	Expository Writing	48
Fall 2007*	ENG 113 00	Literature-Based Research	15
Fall 2007*	MED 118 00	Orientation to Medical Asst	32
Fall 2007*	MED 121 00	Medical Terminology I	48
Fall 2007*	NOS 130 00	Windows Single User	64

These classes were offered as independent studies online. It was not clear what method was used to compute the 10 percent point nor was there documentation that students counted in membership attended a session or completed an assignment prior to or at the designated 10 percent point of the class.

**Recommendation:** An audit exception is taken to 4,489 student membership hours reported for budget/FTE for curriculum classes which did not meet reporting criteria outlined in the *North Carolina 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 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>
COE 113 13	Fall 2007	480	960	+480
COE 121 19	Spring 2008	150	0	150
ACA 111 80E	Fall 2007	208	256	+48
CJC 100 81	Fall 2007	11,232	10,612	620
DFT 151 01	Fall 2007	1,360	1,280	80
GRD 152 90	Fall 2007	960	880	80
ACA 111 90	Fall 2007*	288	336	+48
ACA 111 90E	Fall 2007*	256	288	+32
BIO 163 84	Fall 2007*	2,304	2,016	288
BUS 110 80E	Fall 2007*	864	816	48
BUS 121 80E	Fall 2007*	768	832	+64
COE 115 61T	Fall 2007*	16	0	16
COS 115 01	Fall 2007*	832	768	64
COS 116 02	Fall 2007*	576	768	+192
COS 117 02	Fall 2007*	0	32	+32
COS 250 01	Fall 2007*	208	192	16
DFT 151 90E	Fall 2007*	480	560	+80
EDU 119 02	Fall 2007*	1,152	1,216	+64
ENG 095 95	Fall 2007*	1,120	1,200	+80
ENG 095 84	Fall 2007*	1,040	960	80
ENG 111 04	Fall 2007*	1,152	1,200	+48
ENG 111 06	Fall 2007*	816	864	+48
ENG 113 61	Fall 2007*	480	384	96
GRD 142 01	Fall 2007*	960	1,056	+96
HSE 125 01	Fall 2007*	1,408	1,472	+64
MAT 060 04	Fall 2007*	880	960	+80
MAT 060 84	Fall 2007*	1,360	1,280	80
MAT 070 84	Fall 2007*	1,520	1,440	80
MAT 140 04	Fall 2007*	576	528	48
MAT 140 81	Fall 2007*	576	624	+48
MED 130 90	Fall 2007*	624	672	+48
MED 130 90S	Fall 2007*	432	480	+48
NOS 220 01	Fall 2007*	320	256	64
PSY 150 WSHS	Fall 2007*	1,104	1,056	48
REL 221 01	Fall 2007*	1,104	1,056	48
SPA 211 01	Fall 2007*	384	432	+48
BIO 166 02	Spring 2008	2,016	2,208	+192

Audit Findings for Stanly Community College

Page 13

<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
SOC 210 01SEC	Spring 2008	1,008	1,152	+144
BUS P230 71	Fall 2007	258	219	39
ISC P112 71	Fall 2007	540	505	35
AHR P113 71	Fall 2007*	1,598	1,498	100
ELC P118 71	Fall 2007*	676	637	39
ISC P112 71	Spring 2008	500	419	81
ACC P120 71	Fall 2007	433	400	33
AHR P110 71	Fall 2007	2,065	1,982	83
CIS P110 71	Fall 2007	1,283	1,271	12
NOS P110 71	Fall 2007	1,388	1,185	203
AHR P112 71	Fall 2007*	1,399	1,289	110
AHR P114 71	Fall 2007*	1,199	1,295	+96
CET P111 71	Fall 2007*	700	1,117	+417
CTS P130 71	Fall 2007*	808	827	+19
CTS P217 71	Fall 2007*	902	905	+3
DBA P110 71	Fall 2007*	905	863.5	41.5
ELC P113 71	Fall 2007*	2,075	2,066	9
OST P131 71	Fall 2007*	492	693	+201
OST P136 71	Fall 2007*	660	621	39
ACC P120 71	Spring 2008	390	931.5	+541.5
CET P110 71	Spring 2008	663	660	3
COE 112 13	Fall 2007*	230	320	+90
COE 112 16	Fall 2007*	320	640	+320
COE 121 19	Fall 2007*	1,426	1,747	+321
COE 121 28B	Fall 2007*	320	296	24
CET P111 71	Spring 2008	1,034	968	66
DFT 151 71	Spring 2008	981	907	74
OST 136 71	Spring 2008	660	621	39
CJC 222 95	Fall 2007	1,104	1,056	48
EDU 119 94	Fall 2007	768	704	64
EDU 145 96	Fall 2007	1,104	1,056	48
EDU 188 97	Fall 2007	672	640	32
EDU 262 96	Fall 2007	1,152	864	288
HIS 132 95	Fall 2007	1,008	960	48
PSY 241 96	Fall 2007	1,008	960	48
SOC 213 95	Fall 2007	912	960	+48
ACA 111 94	Fall 2007*	288	272	16
ACA 111 99	Fall 2007*	336	320	16
ACA 118 95	Fall 2007*	1,008	912	96

<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
ACC 149 95	Fall 2007*	384	336	48
ACC 150 95	Fall 2007*	432	480	+48
BIO 140 95	Fall 2007*	1,008	960	48
BIO 140A 95	Fall 2007*	720	672	48
BIO 165 95	Fall 2007*	2,496	2,400	96
BUS 151 95	Fall 2007*	1,104	1,056	48
CCT 121 102	Fall 2007*	160	80	80
CET 111 101	Fall 2007*	320	160	160
CET 111 104	Fall 2007*	160	0	160
CIS 110 94	Fall 2007*	1,600	1,536	64
CIS 110 96	Fall 2007*	1,600	1,536	64
CIS 110 97	Fall 2007*	1,280	1,408	+128
CIS 110 99	Fall 2007*	1,408	1,536	+128
CIS 111 101	Fall 2007*	96	48	48
CIS 111 102	Fall 2007*	48	0	48
CJC 121 95	Fall 2007*	672	336	336
CJC 212 95	Fall 2007*	768	816	+48
COE 115 95	Fall 2007*	176	160	16
EDU 119 97	Fall 2007*	1,088	896	192
EDU 119 99	Fall 2007*	1,152	1,088	64
EDU 144 95	Fall 2007*	1,056	960	96
EDU 146 95	Fall 2007*	960	816	144
EDU 146 96	Fall 2007*	912	864	48
EDU 146 99	Fall 2007*	1,008	960	48
EDU 147 95	Fall 2007*	912	864	48
EDU 151 99	Fall 2007*	1,152	1,200	+48
EDU 153 99	Fall 2007*	528	480	48
EDU 252 97	Fall 2007*	1,056	1,008	48
EDU 261 97	Fall 2007*	864	816	48
EDU 262 97	Fall 2007*	768	720	48
ELC 131 101	Fall 2007*	224	0	224
ELN 236 101	Fall 2007*	640	480	160
ENG 095 95	Fall 2007*	1,280	1,360	+80
ENG 115 95	Fall 2007*	480	384	96
MAT 151 95	Fall 2007*	576	528	48
SOC 210 96	Fall 2007*	768	816	+48
SOC 210 98	Fall 2007*	1,056	912	144
SOC 232 95	Fall 2007*	432	480	+48

<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
SPA 181 95	Fall 2007*	1,760	1,568	192
TNE 111 102	Fall 2007*	0	80	+80
TNE 111 103	Fall 2007*	160	80	80
TNE 235 101	Fall 2007*	80	0	80
TNE 111 101	Spring 2008	320	240	80
TNE 121 102	Spring 2008	240	0	240
CJC 100 61	Fall 2007	7,488	7,440	48
CJC 100 81	Fall 2007	11,232	11,160	72
CET 211 71	Fall 2007*	1,149	1,027	122
MKT 120 71	Fall 2007*	315	303	12
PED 111 90	Spring 2008	528	0	528
CJC 100 61**	Fall 2007	7,488	6,868	620
SPA 111 01	Spring 2008	720	672	48
CET 111 00	Fall 2007*	160	0	160
CIS 115 00	Fall 2007*	80	0	80
CJC 221 00	Fall 2007*	160	0	160
EDU 282 00	Fall 2007*	48	0	48
ENG 111 00	Fall 2007*	48	0	48
ENG 113 00	Fall 2007*	48	33	15
MED 118 00	Fall 2007*	32	0	32
MED 121 00	Fall 2007*	48	0	48
NOS 130 00	Fall 2007*	64	0	64
<b>**Noted under bullets #9 &amp; 11</b>				
<b>Total Hours Excepted:</b>				<b>4,489</b>

### Exception Two

During a review of continuing education course offerings, a number of errors were noted which resulted in 2,914 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. Student is considered to be in class membership when the student meets all of the following criteria...(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 3000 400	Networking Tech	192
Spring 2007	CAS 3000 401	Networking Tech	280
Spring 2007	ELC 3201 401	Structured Cabling	648
Spring 2007	FIP 3319 101	Sprinklers Level I	60
Summer 2007	ELC 3201 500	Structured Cabling	90
Fall 2007	EMS 3050 304	EMT Basic	9
Fall 2007	EMS 3050 314	EMT Basic	+3
Fall 2007	EPT 4200 300	ICS-200	24
Fall 2007	FIP 3109 300	Ropes – Level I	126

For classes listed, more student membership hours were reported than the number of students in attendance at the 10 percent point.

- CC95-267 *Applying The Continuing Education Master Course List*, states, in pertinent part, “...Each course listed in the Master Course List has a course description, a recommended number of instructional hours and a maximum number of course hours. A course may not be offered for a number of hours greater than the maximum State Board approved hours...”

*Continuing Education Guidelines*, states, in pertinent part, “B. Definitions... **Maximum Hours** heading on the Master Course List is the maximum number of hours for which a course may be offered...”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Summer 2007	CSC P3110 200	Computer Programming	624

Class was reported for hours greater than the maximum State Board approved hours and the maximum number of hours on the Master Course List.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education*, states, in pertinent part, “(b) Non-Regularly Scheduled Classes. (4) Calculation of Student Contact Hours for Non-Regularly Scheduled Classes. For these classes, actual time of class attendance for each student determined to be in membership shall be reported. Sixty minutes shall constitute an hour. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Summer 2007	FIP 3401 200	Firefighter	400

528 hours were reported for budget/FTE when the actual number of contact hours was noted as 128.

- Title 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education*, states, in pertinent part, “(c) Classes Identified as Extension Non-Traditional Delivery. (2) For those classes identified as non-traditional delivery, student attendance in class or in an orientation session, submission of a written assignment or a submission of examination is the basis for the determination of class membership at the 10 percent point of the class...”

CC04-109 *Clarification of Reporting and Documenting Student Membership Hours for Distance Education Courses and Course Orientation*, states, in pertinent part, “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 percent point of the class, regardless of which method is used to determine the 10 percent census point. It must be clear what method was used to compute the 10 percent point. Documentation of class membership in distance education courses should provide a record of student participation similar to that provided by the class attendance documents for traditional delivery classes. This documentation may be maintained electronically, such as a record of emails between students and the instructor, or may be a hard copy, such as an instructor maintained attendance or student contact record. In either case, the documentation must be certified by the instructor or college staff responsible for the course and must be available for audit review.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2007	ELN 3025 601	Solid State	320
Fall 2007	MAT 3713 600	Basic Mathematics	144

Per documentation provided for these non-traditional classes, students were reported for budget/FTE that were not in class membership at the 10 percent point of the class.

**Recommendation:** An audit exception is taken to 2,914 student membership hours reported for budget/FTE for continuing education classes which did not meet reporting criteria outlined in *Title 23 of the North Carolina Administrative Code, Numbered Memoranda, and Continuing Education Guidelines*. 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 classes cited are listed below:

**CONTINUING EDUCATION**

<u>Contract Number</u>	<u>Course Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
400	CAS 3000	Spring 2007	768	576	192
401	CAS 3000	Spring 2007	490	210	280
401	ELC 3201	Spring 2007	1,053	405	648
101	FIP 3319	Spring 2007	135	75	60
500	ELC 3201	Summer 2007	180	90	90
304	EMS 3050	Fall 2007	39	30	9
314	EMS 3050	Fall 2007	42	45	+3
300	EPT 4200	Fall 2007	312	288	24
300	FIP 3109	Fall 2007	364	238	126
200	CSC P3110	Summer 2007	1,632	1,008	624
200	FIP 3401	Summer 2007	528	128	400
601	ELN 3025	Fall 2007	800	480	320
600	MAT 3713	Fall 2007	144	0	144
<b>Total Hours Excepted:</b>					<b>2,914</b>

In addition, there were two areas of concern that merits the college's attention. It is discussed below:

**Concern One**

In a review of the records retention and disposition procedure for permanent records, it was noted that there has been no archiving of permanent records in either curriculum or continuing education since 2005.

The *Records Retention And Disposition Schedule Amendment* for the System, 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 Archives should establish an Archives program or store the records concerned in a secure, protected, environmentally stable area.”

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

### **Concern Two**

During the review of curriculum class records, it was noted that classes were held at captive co-opted sites, and class hours were not assigned consistent with college catalog and curriculum standard requirements.

Title 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes*, states, in pertinent part “(b) Regularly Scheduled Classes (1)(D) class hours are assigned consistent with college catalog and curriculum standard requirements...”

Title 23 NCAC 02E .0204 *Courses and Standards for Curriculum Programs*, states, in pertinent part, “(c) A college shall use the course information (prefix, number, title, and classroom, laboratory, clinical, and work contact hours; credit hours; prerequisites and corequisites; and course descriptions) as listed in the Combined Course Library.”

**Recommendation:** Since the courses reviewed with the aforementioned issue were offered at captive co-opted sites, the hours were reported for budget/FTE as contact hours, and therefore, no hours were over-reported. The aforementioned references still apply, however, and staff must ensure that courses offered at all sites are in compliance with *Title 23 of the North Carolina Administrative Code*.

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

SUBMITTED BY: Elizabeth C. Self  
Audit Dates: January 21 – February 24, 2009

ATTACHMENT NUMBER ONE

Stanly Community College  
Financial Adjustment  
FY 2007 - 2008

A total of 4,489 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
4,489	/ 512 =	8.77	\$4,872.90	\$42,735.33

**Total Reversion** \$42,735.33

The college should submit Form 104 to the System Office for \$42,735.00 to resolve the exception.

**ATTACHMENT NUMBER TWO**

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

A total of 2,914 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>
2,914	/ 688 =	4.24	\$4,249.46	\$18,017.71

**Total Reversion \$18,017.71**

**The college should submit Form 104 to the System Office for \$18,018.00 to resolve the exception.**

### ATTACHMENT NUMBER THREE

#### Stanly 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>
ACC 120	K. Misenheimer	Albemarle Corr. Inst.	2/10/09	12	11
ENG 111	J. Rogers	Crutchfield Center	2/10/09	17	13
PHY 110	H. Hill	Online	2/17/09	23	-
<b>Total CURRICULUM Class Visits/Program Reviews to Date:</b>					<b>3</b>

##### 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 2000	L. Teitelbann	Main Campus	2/17/09	13	6
CAS 3120	L. Brown	Albemarle Corr. Inst.	2/10/09	17	16
CAS 3120	G. Anderson	Albemarle Corr. Inst.	2/10/09	15	14
EDU 3002	R. Nelson	Main Campus	2/17/09	19	19
EMS 3060	A. Palmer	Main Campus	2/17/09	5	5
FIP 3618	J. Simpson	Locust Fire Dept.	2/10/09	21	16
FIP 4728	B. Little	Albemarle Fire Dept.	2/10/09	10	10
FLI 3710	M. Kinley	Crutchfield Center	2/10/09	12	10
NUR 3240	N. Schrenkel	Online	2/19/09	22	-
PHM 4100	J. Parsons	Main Campus	2/17/09	9	7
<b>Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:</b>					<b>10</b>