

North Carolina Community College System

Audit Findings for Montgomery Community College Spring Semester 2008 – Spring Semester 2009 Semester

An audit was conducted at Montgomery 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 2008 through Spring Semester 2009. 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 continuing education class offerings, a number of errors were noted which resulted in 1,758.75 student membership hours incorrectly reported for budget/FTE. The errors are summarized below.

- *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.”

23 NCAC 02D .0325(g) *Limitations in Reporting Student Membership Hours*, states, in pertinent part, “Educational programs offered in a correctional department setting shall report full-time equivalent (FTE) student hours on the basis of contact hours.”

23 NCAC 02E .0403(a) and (c-d) *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... (c) Instruction to captive or co-opted groups may be approved in the form of curriculum programs or courses and occupational extension courses. State Board of Community Colleges (SBCC) approved curricula for Captive or co-opted groups shall include changes in programs of study and SBCC approved occupational extension course modifications. Physical education or work experience may not be a part of a curriculum program in a correctional setting. (d) Policies governing student enrollment in curriculum programs or courses and occupational extension courses shall be consistent with general college policies.”

For curriculum classes, please note that the guidelines in the Code for reporting instruction to captive or co-opted groups are consistent with the policies governing both the definition of class membership for regularly scheduled classes – [(G.S. 115D-5(c1) and 23 NCAC 02D .0323(b)(1)(2)] and the reporting of student contact hours in non-regularly scheduled classes – [(G.S. 115D-5(c1) and 23 NCAC 02D .0323(c)(3-5)]. Membership for non multi-entry/multi-exit classes is defined in 23 NCAC 02D .0323 *Reporting of Student Hours in Membership for Curriculum Classes* (b) Regularly-Scheduled Classes; however, since contact hours are not defined in (b), hours are reported as defined in (c) Non-Regularly Scheduled Classes (3-5) which does define student contact hours.

For continuing education classes offered in a captive or co-opted setting, the same applies with the appropriate reference of 23 NCAC .0324 *Reporting of Student Hours in Membership for Continuing Education*. Student membership for continuing education classes is defined in 23 NCAC 02D .0324(a) *Regularly Scheduled Classes* (1-2), and since contact hours are not defined in (a), hours are reported as defined in (b)(3-5) *Non-Regularly Scheduled Classes*.

Therefore courses offered in a captive or co-opted setting must have a starting and ending date as well as a 10 percent point in regard to student membership, but must be reported as contact hours per the aforementioned references.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2008	HOR P3307 01	Horticulture	1706.5
Spring 2008	HRD P3008 01	Economic Literacy	48
Summer 2008	CAS P3120 01	Admin. Professional Assistant	110

The above classes were offered in a correctional department setting, and hours were reported for budget/FTE as student membership hours rather than calculated as student contact hours per the aforementioned references.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Summer 2008	COM P3725 03	Reading for Improvement	+1

Student membership hours were incorrectly reported for budget/FTE for the class noted when the contact hours were miscalculated.

- 23 NCAC 02D .0324(a)(4) *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, “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 as stated 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 2008	AUT 3109 02	Adv. Auto Collision Repair	48
Spring 2008	CAS 3120 01	Microsoft Office 2007	15
Summer 2008	GSM 3010 02*	Bluing for the Long Gun	+65
Fall 2008	AUT 3109 05	Adv. Auto Body Repair	+50

Student membership hours were incorrectly reported for budget/FTE for students in the above classes when the number of hours reported were not consistent with the scheduled class hours stated in official college documents.

* Note: The GSM 3010 02 class has another issue in bullet number five.

- 23 NCAC 02D .0326(b) *Budget FTE Funding*, states, in pertinent part, “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 2008	CJC 3952 04	Mandated In-Service Trng.	4

Two students enrolled in the class and fee waived with all hours reported for budget/FTE were also paid instructors for the class. The hours for which the “students/instructors” were paid for instruction are excepted (two hours for each instructor or a total of four hours).

- 23 NCAC 02D .0324(b)(4) *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, “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>
Spring 2008	EMS 3025 03	Medical Responder Emerg.	9

Student membership hours were incorrectly reported for budget/FTE for the class noted when the contact hours were miscalculated.

- 23 NCAC 02D .0324(a)(2) *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, “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>
Summer 2008	FLI 3700 01	Interpreter & Translator Trng.	+42
Summer 2008	GSM 3010 02*	Bluing for the Long Gun	+112

Student membership hours were incorrectly reported for budget/FTE for one student in each of the classes above who attended one or more classes prior to or on the 10 percent point of class, and the membership hours were not reported for budget/FTE.

*Note: The GSM 3010 02 class has another issue in bullet number two above.

- 23 NCAC 02D .0324(c)(2) *Reporting of Student Hours in Membership for Continuing Education Classes*, states, in pertinent part, “Classes Identified as Extension Non-Traditional Delivery. 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. Student membership hours in such classes shall be calculated by multiplying the number of students in membership, as defined in the prior sentence, times the number of instructional hours delivered which are determined as follows: (A) Determine the number of hours of instruction delivered via non-traditional delivery; and (B) Add the number of hours of class meetings.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Exceeded</u>
Fall 2008	EMS 3050 02	EMT Basic-Pregnancy/Child	3
Fall 2008	EMS 3050 06	EMT Basic-Allergies/ALS	2.5
Fall 2008	EMS 3050 11	EMT Basic-Poisonings/ALS	2.5

Student membership hours were incorrectly reported for budget/FTE for one student in each of the classes above when there was no documentation that the student had completed one of the activities referenced above at the 10 percent point of the class.

- *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...local law enforcement officers...”

23 NCAC 02D .0324(a)(2) *Reporting of Student Hours in Membership for Continuing Education Classes* as previously quoted on page 4 is also applicable to this finding.

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

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2008	FIP 4115 01	Farmedic for Certification	80

Student membership hours were incorrectly reported for budget/FTE for four students who were inappropriately fee waived for the class, and no registration fees were paid.

Recommendation: An exception is taken to 1,758.75 student membership hours reported for budget/FTE for continuing education classes which did not meet reporting criteria outlined in the North Carolina General Statutes and Title 23 of the North Carolina Administrative Code. 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 2008 and make any necessary adjustments.

The classes cited are listed below:

CONTINUING EDUCATION

<u>Course & Section Number</u>	<u>Semester</u>	<u>Original Hours Reported</u>	<u>Corrected Hours</u>	<u>Hours Excepted</u>
HOR P 3307 01	Spring 2008	5040.75	3334.25	1,706.5
HRD P 3008 01	Spring 2008	230	182	48
CAS P 3120 01	Summer 2008	480	370	110
AUT 3109 02	Spring 2008	1328	1280	48
COM P3725 03	Summer 2008	113	114	+1
CAS 3120 01	Spring 2008	90	75	15
GSM 3010 02*	Summer 2008	1344	1521	+177
AUT 3109 05	Fall 2008	775	825	+50
CJC 3952 04	Spring 2008	240	236	4
EMS 3025 03	Spring 2008	141	132	9
FLI 3700 01	Summer 2008	336	378	+42

Course & Section Number	Semester	Original Hours Reported	Corrected Hours	Hours Excepted
EMS 3050 02	Fall 2008	90	87	3
EMS 3050 06	Fall 2008	75	72.5	2.5
EMS 3050 11	Fall 2008	60	57.5	2.5
FIP 4115-01	Fall 2008	260	180	<u>80</u>
Total Hours Excepted:				1,758.5

*Note: GSM 3010 02 had two issues which are combined for a total of +177 hours. These issues are noted in bullets two (+65 hours) and five (+112 hours) in the body of the report, for a total of +177 hours.

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

SUBMITTED BY: Anne O. Miller
Audit Dates: October 15 - November 4, 2009

ATTACHMENT NUMBER ONE

**Montgomery Community College
Financial Adjustment
FY 2009 - 2010**

A total of 1,758.5 Continuing Education hours were cited that require a financial adjustment:

FTE Calculation Worksheet

Continuing Education \$ Value \$4,255.64

Continuing Education

Hours	/ 688 =	Continuing Education FTE	Continuing Education Value	Total Reversion
1,758.5	/ 688 =	2.56	\$4,255.64	<u>\$10, 894.44</u>

Total Continuing Education Reversion to be Submitted on Form 104: \$10, 894.00

ATTACHMENT NUMBER TWO

**Montgomery Community College
SUMMARY OF CLASS VISITS FOR FY 2009 – 2010**

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>
BUS P121 70	M. Lunday	Southern Corr. Inst.	10/15/09	5	3
ECO P252 70H	W. Wendt	Southern Corr. Inst.	10/15/09	14	8
PCC 111AC 50	D. Lewis/M. Ferree	Main Campus	11/3/09	5	<u>5</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>
BSP 2000	V. McIntyre	Candor EMS Bldg.	10/15/09	15	2
BSP S2000	G. Lewis	Journey House	10/15/09	13	8
BSP P2000	N. White	Southern Corr. Inst.	10/15/09	12	9
CJC 5035	R. Nance	Agriculture Bldg.	10/15/09	26	21
HRD P3005	C. Poole	Southern Corr. Inst.	10/15/09	12	9
NUR 3243	A. Beaman	Main Campus	11/3/09	4	<u>4</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					6