



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

May 28, 2010

Dr. Walter Bartlett, President
Piedmont Community College
Post Office Box 1197
Roxboro, NC 27573

Dear Dr. Bartlett:

Enclosed is the final audit report of findings from the recent audit conducted at Piedmont Community College pursuant to NC General Statute 115D-5(m). The college response dated April 19, 2010, provided additional documentation which has been incorporated into the audit report. 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,

A handwritten signature in black ink, appearing to read 'Kennon D. Briggs'.

Kennon D. Briggs
Executive Vice President and Chief of Staff

Enclosure

- c: Mr. Ronald Booker, 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. William Barnes, PCC, Vice President of Administrative Services
System Office Vice Presidents

North Carolina Community College System

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

An audit was conducted at Piedmont 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, two exceptions and two concerns were noted and are discussed below.

Exception One

In a review of curriculum course offerings, a number of errors were noted which resulted in 1,103.5 student membership hours incorrectly reported for budget/FTE. The errors are summarized below.

23 NCAC 02D .0323(b)(2) Reporting of Student Hours in Membership for Curriculum Classes, states, "Regularly-Scheduled Classes. 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>
Spring 2009	BUS 121 71P	Business Math	128
Spring 2009	CJC 225 H3C	Crisis Intervention	48
Spring 2009	DFT 119 H1C	Basic CAD	48

Membership hours were reported for budget/FTE for students who did not meet the class membership criteria as stated in the aforementioned reference.

- North Carolina General Statute 115D-20(4) states, “Provided, notwithstanding any law or administrative rule to the contrary, local administrative boards and local school boards may establish cooperative programs in the areas they serve to provide for college courses to be offered to qualified high school students with college credits to be awarded to those high school students upon the successful completion of the courses.”

23 NCAC 02C .0305(e) *Education Services for Minors*, states, “Local boards of trustees and local school boards may establish cooperative programs in areas they serve in order to provide college courses to high school students. College credits shall be awarded to those high school students upon successful completion of the courses. Cooperative programs shall be approved, prior to implementation, by the State Board or its designee.”

23 NCAC 02D .0325(a)(4) *Limitation in Reporting Student Membership Hours*, states, “Student hours shall not be reported for budget/FTE which result from: Enrollment of high school students not in compliance with 23 NCAC 2C .0301 and 2C .0305.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2009	CJC 131 H1C	Criminal Law	768

Students whose primary program code was listed as Huskins (T90970) enrolled in a cooperative program course, and hours were reported for budget/FTE when the course was not approved by the State Board or its designee prior to implementation.

- *N.C.G.S. 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.” Continuing in (c1), “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...”

23 NCAC 02E .0403(a) *Instruction to Captive or Co-opted Groups*, states, “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...Approval by the State Board of Community Colleges shall constitute approval of the curriculum program or occupational extension course (s) and the group to be served by the college.”

23 NCAC 02D .0323(c)(4) *Reporting of Student Hours in Membership for Curriculum Classes* states, “Non-Regularly Scheduled Classes. 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...”

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 2D .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 contact hours are defined in (c). Student contact hours are reported as defined in (c) Non-Regularly Scheduled Classes (3-5).

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>
Fall 2008	CTS P130 1r	Spreadsheet	3
Fall 2008	ELC P112a 1r	DC/AC Electricity	2
Fall 2008	ELC P113 1r	Basic Wiring I	3
Fall 2008	FST P102ba 1h	Basic Foodservice Skills	4.5
Fall 2008	WLD P116 1y	SMAW (Stick)	+500

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Spring 2009	CAR P113 1r	Carpentry III	7
Spring 2009	CTS P130 2r	Spreadsheet	432
Spring 2009	HOR P162 1y	Applied Plant Science	+4

Contact hours were miscalculated for students enrolled in the curriculum courses listed above which were offered to students classified as captive or co-opted.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2008	ENG P0901 2r	Composition Strategies	4

One student withdrew prior to the census date, but was counted for FTE.

- 23 NCAC 02D .0323(f)(2)(C) *Reporting of Student Hours in Membership for Curriculum Classes*, states, "Curriculum Student Work Experience and Clinical Practice. 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:

REPORTING CO-OP HOURS FOR BUDGET FTE

2. 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, also considered a class experience, 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 2009	COE 111 T1P	Co-op Work Experience I	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 1,103.5 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, *Curriculum Procedures Reference Manual*, 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 Semester 2009 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>
BUS 121 71P	Spring 2009	1,216	1,088	128
CJC 225 H3C	Spring 2009	864	816	48
DFT 119 H1C	Spring 2009	960	912	48
CJC 131 H1C	Spring 2009	768	0	768
CTS P130 1r	Fall 2008	301	298	3
ELC P112a 1r	Fall 2008	1,124	1,122	2
ELC P113 1r	Fall 2008	2,016	2,013	3
FST P102ba 1h	Fall 2008	1,039	1,034.5	4.5
WLD P116 1y	Fall 2008	264	764	+500
CAR P113 1r	Spring 2009	1,343	1,336	7
CTS P130 2r	Spring 2009	864	432	432
HOR P162 1y	Spring 2009	1,148	1,152	+4
ENG P0901 2r	Fall 2008	168	164	4
COE 111 T1P	Spring 2009	640	480	<u>160</u>

Total Hours Excepted: 1,103.5

Exception Two

In a review of continuing education course offerings, a number of errors were noted which resulted in 1,285 student membership hours incorrectly reported for budget/FTE. The errors are summarized below.

- *North Carolina General Statute 115D-5(c1)*, states, “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.”

23 NCAC 02D .0324(b)(4) *Reporting of Student Hours in Membership for Continuing Education Classes*, states, “Non-Regularly Scheduled Classes. Calculation of Student Contact Hours. 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	HOR P3307 01	Horticulture	13

Student contact hours were miscalculated.

- 23 NCAC 02D .0324(a)(2) *Reporting of Student Hours in Membership for Continuing Education Classes*, states, “Regularly Scheduled Classes. 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 2008	NUR 3241 01	Nurse Aide Level II	1,120

There was no class file for the class, and therefore, no documentation of enrollment, attendance, registration fee payment, or instructional payment. The class was also reported for budget/FTE in Spring Semester 2009.

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Summer 2008	NUR 3268 01	EKG Monitor Tech.	24

Student membership hours were incorrectly reported for budget/FTE for one student who joined the class after the ten percent point of the class.

- 23 NCAC 02D .0324(b)(4) *Reporting of Student Hours in Membership for Continuing Education*, states, “Non-Regularly Scheduled Classes. 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.”

Numbered Memorandum CC04-109 *Clarification of Reporting and Documenting Student Membership Hours for Distance Education Courses and Course Orientation*, states, “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. 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 2008	CJC 3952 01	RPD 2008 In-Service Trg.	120

This online class was scheduled as a contact hour class, but documentation of contact hours was not available.

- 23 NCAC 02D .0324(b)(4) *Reporting of Student Hours in Membership for Continuing Education Classes*, states, “Non-Regularly Scheduled Classes. 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>
Fall 2008	EMS 3041 01	Basic Trauma Life Support	8

432 hours were reported for budget/FTE when the actual number of contact hours was 424.

Recommendation: An audit exception is taken to 1,285 student membership hours reported for budget/FTE for curriculum classes which did not meet reporting criteria outlined in 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 Fall Semester 2008 and make any necessary adjustments.

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>
01	HOR P3307	Spring 2008	2,855	2,842	13
01	NUR 3241	Spring 2008	1,120	0	1,120
01	NUR 3268	Summer 2008	264	240	24
01	CJC 3952	Fall 2008	768	648	120
01	EMS 3041	Fall 2008	432	424	<u>8</u>
Total Hours Excepted:					1,285

In addition, there were two areas of concern that merit the college's attention and are discussed below:

Concern One

In a review of curriculum distance education courses, there was no clarity regarding determination of the census date.

- 23 NCAC 02D .0323(e)(2) *Reporting of Student Hours in Membership for Curriculum Classes*, states, "Classes Identified as Curriculum-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 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."

Numbered Memorandum CC04-109 *Clarification of Reporting and Documenting Student Membership Hours for Distance Education Courses and Course Orientation*, as quoted earlier is also applicable.

Recommendation: Staff should review the aforementioned references to ensure compliance with policies and procedures which govern the North Carolina Community Colleges. Staff should take the necessary steps to ensure the appropriate number of student membership hours were reported for budget/FTE since Spring Semester 2009, making adjustments as necessary.

Concern Two

In a review of the required requisites for curriculum courses, it was noted that students were enrolled in courses, and hours were reported for budget/FTE when the students had not completed the required requisites.

- 23 NCAC 02E .0204(1)(c) *Courses and Standards for Curriculum Programs*, states, “The Combined Course Library and curriculum standards for associate degree, diploma, and certificate programs shall be as follows: Combined Course Library Curriculum Courses....(c) A college shall use the course information (prefix; number; title; classroom, laboratory, clinical, and work experience contact hours; credit hours; prerequisites and corequisites; and course description) as listed in the Combined Course Library.”

Numbered Memorandum CC06-269 *Course Requisites*, states, “Colleges are responsible for ensuring that students have satisfied prerequisites and corequisite requirements by documenting that they have either completed the appropriate courses or have demonstrated that they have the appropriate knowledge and skills required for admission to the course. Colleges should establish local policies for complying with this guidance.”

Curriculum Procedures Reference Manual, Chapter 23 Guidelines and Definitions, states, “Course Guidelines and Definitions. In accordance with North Carolina Administrative Code [23 NCAC 02E .0204(1)(c)], which states, ‘The college shall use the course information (prefix, number, title, and classroom, laboratory, clinical, work experience and credit hours; prerequisites and corequisites; and course description) as listed in the Combined Course Library,’ it is the college’s responsibility to ensure that the course information as listed in the Combined Course Library is used in the design and delivery of courses... The NCCCS uses the following definitions: *Corequisite*: A course taken at the same time as another course or prior to the course to be taken. *Prerequisite*: A course taken prior to another course.”

Recommendation: Staff should review the aforementioned references to ensure compliance with policies and procedures which govern the North Carolina Community Colleges. Staff should review all records reported for student membership hours for budget/FTE since Spring Semester 2009 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 Conducted: October 2 – 22, 2009

ATTACHMENT NUMBER ONE

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

A total of 1,103.5 curriculum hours were cited that require a financial adjustment:

**FTE Calculation
Worksheet**

Curriculum \$ Value \$4,917.35

Curriculum

Hours	/ 688 =	Curriculum FTE	Curriculum Value	Total Reversion
1,103.5	/ 512 =	2.16	\$4,917.35	\$10,621.48

Total Curriculum Reversion to be Submitted on Form 104: \$10,622.00

A total of 1,285 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
1,285	/ 688 =	1.87	\$4,255.64	\$7,958.05

Total Continuing Education Reversion to be Submitted on Form 104: \$7,958.00

TOTAL REVERSION AMOUNT TO BE SUBMITTED ON FORM 104

\$18,580.00

ATTACHMENT NUMBER TWO

Piedmont 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>
AHR 133 1y	P. Poe	Caswell Correctional	10/13/09	17	17
CIS 110 03P	L. Winstead, Jr.	Main Campus	10/2/09	17	13
WLD 110	J. Whitfield	Main Campus	10/2/09	18	<u>16</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	A. Bottoms	Caswell Campus	10/13/09	34	12
BSP P2000	L. Jones	Dan River Correctional	10/13/09	26	15
BSP P2000	G. Garland	Caswell Correctional	10/13/09	18	9
HRD P3006	D. Smith	Caswell Correctional	10/13/09	28	14
HOR P3307	S. Cobb	Dan River Correctional	10/13/09	12	9
MED 3030	Ed2Go	Online	10/21/09	1	1
MED 3300	Ed2Go	Online	10/21/09	1	1
NUR 3240	K. Holland	Caswell Campus	10/13/09	19	19
NUR 3290	E. Elliott	Main Campus	10/2/09	7	7
TRA 3607	R. Tingen	Truck Driving Range	10/2/09	3	<u>3</u>
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10