



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

*Dr. R. Scott Ralls, President*

April 9, 2010

Dr. John R. McKay, President  
South Piedmont Community College  
Post Office Box 126  
Polkton, NC 28135

Dear Dr. McKay:

Enclosed is the final audit report of findings from the recent audit conducted at South Piedmont Community College pursuant to NC General Statute 115D-5(m). The college response dated February 22, 2010, concurred with these findings. Therefore, there are two audit exceptions 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. Harvey Leavitt, III, 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  
Mr. John DeVitto, Chief Financial Officer, SPCC  
NCCCS College Presidents  
NCCC System Office Vice Presidents

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## **North Carolina Community College System**

### **Audit Findings for South Piedmont Community College Spring Semester 2008-Spring Semester 2009 Semester**

An audit was conducted at South 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 were noted and are discussed below.

#### **Exception One**

During a review of curriculum course offerings, a number of errors were noted which resulted in 869.5 student membership hours incorrectly reported for budget/FTE. The errors are as summarized below.

- *North Carolina General Statute 115D-5(1c)*, 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 .0323 (c)(4) *Reporting of Student Hours in Membership for Curriculum Classes* states, “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...”

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u> | <u>Hours Excepted</u> |
|----------------------|----------------------|---------------------|-----------------------|
| Fall 2008            | BUS P153 401         | Human Resource      | +9                    |

Contact hours were not counted for one student who dropped the course after the ten percent point (+9 hours).

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u>   | <u>Hours Excepted</u> |
|----------------------|----------------------|-----------------------|-----------------------|
| Spring 2009          | FST P103 501         | Safety and Sanitation | +47.5                 |
| Spring 2009          | GRD P103 401         | Graphic Design I      | 11                    |

Hours were under/over reported when contact hours were miscalculated for these classes.

- 23 NCAC 02D .0323 (a) *Reporting of Student Hours in Membership for Curriculum Classes*, states, “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...”

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u>   | <u>Hours Excepted</u> |
|----------------------|----------------------|-----------------------|-----------------------|
| Fall 2008            | BUS P280 401         | REAL Small Business   | 30                    |
| Fall 2008            | DDF P212 401         | Design Drafting II    | 45                    |
| Fall 2008            | GRD P110 401         | Typography I          | 12                    |
| Fall 2008            | GRD P151 401         | Computer Design       | 4                     |
| Fall 2008            | GRD P152 401         | Computer Design Tech. | 83                    |
| Fall 2008            | GRD P281 401         | Design of Advertising | 21                    |

Hours for the classes listed above were reported for budget/FTE in excess of the number of instructional hours shown in the college catalog and the approved curriculum program of study compliance document.

- 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> |
|----------------------|----------------------|---------------------|-----------------------|
| Fall 2008            | POL 120 IN1          | American Government | 144                   |

Student membership hours were over-reported for budget/FTE when three students who had dropped the class prior to the 10 percent point in the class were considered to be in class membership.

- 23 NCAC 02D .0323 (b)(5) *Reporting of Student Hours in Membership for Curriculum Classes*, states, “Maintenance of Records of Student Membership Hours. Accurate attendance records shall be maintained for each class through the 10 percent point of the class. Attendance records shall be signed by the instructor or lead instructor, verifying their accuracy, and shall be maintained by the college until released from all audits...”

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u> | <u>Hours Excepted</u> |
|----------------------|----------------------|---------------------|-----------------------|
| Fall 2008            | SAB 130 ITW          | Addictive Behaviors | 576                   |

The instructor did not sign the attendance record, verifying its accuracy per the aforementioned reference.

**Recommendation:** A preliminary audit exception is taken to 869.5 student membership hours reported for budget/FTE for curriculum 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 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 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 P153 401                 | Fall 2008       | 522                            | 531                    | +9                    |
| FST P103 501                 | Spring 2009     | 668                            | 715.5                  | +47.5                 |
| GRD P103 401                 | Spring 2009     | 932                            | 921                    | 11                    |
| BUS P280 401                 | Fall 2008       | 780                            | 750                    | 30                    |
| DDF P212 401                 | Fall 2008       | 1053                           | 1008                   | 45                    |
| GRD P110 401                 | Fall 2008       | 459                            | 447                    | 12                    |
| GRD P151 401                 | Fall 2008       | 495                            | 491                    | 4                     |
| GRD P152 401                 | Fall 2008       | 723                            | 640                    | 83                    |
| GRD P281 401                 | Fall 2008       | 243                            | 222                    | 21                    |
| POL 120 IN1                  | Fall 2008       | 1200                           | 1056                   | 144                   |
| SAB 130 ITW                  | Fall 2008       | 576                            | 0                      | <u>576</u>            |
| <b>Total Hours Excepted:</b> |                 |                                |                        | 869.5                 |

**Exception Two**

During a review of continuing education course offerings, a number of errors were noted which resulted in 2,019.5 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 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          | ELC P3119 101        | Commercial/Residential | +243                  |
| Spring 2008          | ELN P3006 100        | Computer Repair        | +174.5                |

Hours were over/under reported when contact hours were miscalculated for these classes.

- 23 NCAC 02D .0326(b) *Budget FTE Funding*, states, “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          | EMS 3031 608         | Emergency Medical   | 2,429                 |

Hours were reported for budget/FTE for which there was no instructor pay.

- 23 NCAC 02D .0319(b) *Fee Waivers For The Human Resources Development Program*, states, “Students for whom tuition and fees are waived shall sign a form adopted by the State Board of Community Colleges verifying that they meet one of these criteria.”

| <u>Semester/Term</u> | <u>Course Number</u> | <u>Course Title</u> | <u>Hours Excepted</u> |
|----------------------|----------------------|---------------------|-----------------------|
| Spring 2008          | HRD 3002 389         | Human Resources     | 8                     |

One student failed to check qualifying criteria to receive fee waiver status.

**Recommendation:** A preliminary audit exception is taken to 2,019.5 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**

| <b><u>Contract Number</u></b> | <b><u>Course Number</u></b> | <b><u>Semester</u></b> | <b><u>Original Hours Reported</u></b> | <b><u>Corrected Hours</u></b> | <b><u>Hours Excepted</u></b> |
|-------------------------------|-----------------------------|------------------------|---------------------------------------|-------------------------------|------------------------------|
| ELC3119                       | ELC P3119 101               | Spring 2008            | 2,286                                 | 2,529                         | +243                         |
| ELN3006                       | ELN P3006 100               | Spring 2008            | 2,679                                 | 2,853.5                       | +174.5                       |
| EMS3031                       | EMS 3031 608                | Spring 2008            | 2,528                                 | 99                            | 2,429                        |
| HRD3002                       | HRD 3002 389                | Spring 2008            | 32                                    | 24                            | <u>8</u>                     |
| <b>Total Hours Excepted:</b>  |                             |                        |                                       |                               | 2,019.5                      |

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

SUBMITTED BY: Elizabeth C. Self  
Audit Dates: October 12-November 3, 2009

**ATTACHMENT NUMBER ONE**  
**South Piedmont Community College**  
**Financial Adjustment**  
**FY 2009-2010**

**CURRICULUM:** A total of 869.5 curriculum hours were cited that require a financial adjustment:

**FTE Calculation Worksheet**

**Curriculum \$ Value \$4,917.35**

**Curriculum**

| Hours | / 512 = | Curriculum FTE | Curriculum Value | Sub-Total Reversion |
|-------|---------|----------------|------------------|---------------------|
| 869.5 | / 512 = | 1.70           | \$4,917.35       | <u>\$8,359.50</u>   |
| TOTAL |         |                |                  | <u>\$8,359.50</u>   |

The college should submit Form 104 to the System Office for Curriculum \$8,360.00 to resolve the exception.

**CONTINUING EDUCATION:** A total of 2,019.5 Continuing Education hours were cited that require a financial adjustment:

**FTE Calculation Worksheet**

**Continuing Education \$ Value \$4,255.64**

**Continuing Education**

| Hours   | / 688 = | Curriculum FTE | Curriculum Value | Total Reversion    |
|---------|---------|----------------|------------------|--------------------|
| 2,019.5 | / 688 = | 2.94           | \$4,255.64       | <u>\$12,511.58</u> |
| TOTAL   |         |                |                  | <u>\$12,511.58</u> |

The college should submit Form 104 to the System Office for Continuing Education \$12,512.00 to resolve the exception.

**GRAND TOTAL TO BE SUBMITTED ON FORM 104 = \$20,872.00**

**ATTACHMENT NUMBER TWO**

**South Piedmont Community College  
SUMMARY OF CLASS VISITS FOR FY 2009-2010**

**CURRICULUM**

| <b><u>Course Prefix and Number</u></b>                        | <b><u>Instructor</u></b> | <b><u>Location</u></b> | <b><u>Date of Visit</u></b> | <b><u>Students Enrolled</u></b> | <b><u>Attendance at Time of Visit</u></b> |
|---|--------------------------|------------------------|-----------------------------|---------------------------------|---|
| ACC 120 1W1   | T. Evans                 | Polkton Campus         | 10/22/09                    | 25                              | 22  |
| AUB 114 101   | R. Winfrey               | Polkton Campus         | 10/19/09                    | 1                               | 1   |
| CIS 110 2W4   | O. Gonzalez              | Monroe Campus          | 10/22/09                    | 19                              | <u>12</u>                                 |
| <b>Total CURRICULUM Class Visits/Program Reviews to Date:</b> |                          |                        |                             |                                 | <b>3</b>                                  |

**CONTINUING EDUCATION**

| <b><u>Course Prefix and Number</u></b>                                  | <b><u>Instructor</u></b> | <b><u>Location</u></b> | <b><u>Date of Visit</u></b> | <b><u>Students Enrolled</u></b> | <b><u>Attendance at Time of Visit</u></b> |
|---|--------------------------|------------------------|-----------------------------|---------------------------------|---|
| APP 3515  | R. Surratt               | Polkton Campus         | 10/19/09                    | 5                               | 5   |
| AUT 3109  | R. Winfrey               | Polkton Campus         | 10/19/09                    | 2                               | 2   |
| BSP 2000  | J. Warner                | Monroe Campus          | 10/19/09                    | 25                              | 13  |
| BSP 2000  | K. Stegall               | Monroe Campus          | 10/19/09                    | 33                              | 14  |
| CJC 5035  | D. Hinson                | Lockhart-Taylor Center | 10/19/09                    | 17                              | 16  |
| CSP 4000  | Ed-To-Go                 | Online                 | 10/20/09                    | 1                               | 1   |
| HRD 3004  | M. Birlet                | Monroe Campus          | 10/19/09                    | 14                              | 14  |
| MEC 3010  | M. Willard               | Monroe Campus          | 10/19/09                    | 9                               | 9   |
| MLS 3874  | J. Chapman               | Monroe Campus          | 10/19/09                    | -                               | - *1                                      |
| NUR 3240  | D. Lee                   | Monroe Campus          | 10/19/09                    | -                               | - *2                                      |
| <b>Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:</b> |                          |                        |                             |                                 | <b>10</b>                                 |

\*1 – This class was relocated to another building but failed to put note on classroom door.

\*2 – Students were practicing techniques, but there was no instructor. A student told the auditor that the class would not meet until Friday morning.

All issues were discussed with college staff.