



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

June 1, 2010

Dr. Deborah Friedman, President
Surry Community College
630 South Main Street
Dobson, NC 27017

Dear Dr. Friedman:

Enclosed is the final audit report of findings from the recent audit conducted at Surry Community College pursuant to NC General Statute 115D-5(m). The college response dated May 4, 2010, concurred with these findings. Therefore, one exception and one concern are 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. Gene Rees, 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. Tony L. Martin, Surry Community College, Chief Financial Officer
- NCCCS Community College Presidents
- NCCC System Office Vice Presidents

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North Carolina Community College System

Audit Findings for Surry Community College Spring Semester 2008-Spring Semester 2009 Semester

An audit was conducted at Surry 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 and one concern were noted and are discussed below.

Exception

During a review of curriculum course offerings and requested documentation, reporting errors were noted which resulted in 1,632 student membership hours incorrectly reported for budget/FTE. The errors are summarized below.

- 23 NCAC 02E. 0604(b) *Instructional Service Agreements*, states, "Level Two Instructional Service Agreement. (2) The level two instructional service agreement shall A) Be approved by each local board of trustees unless the board has delegated authority to the president to enter into level two instructional service agreements; (B) Be signed by the president of each participating college; (C) Specify the course(s) to be delivered to the other college's service area; (D) Specify the plan for delivery of the instruction; (E) Specify the proration of resources and FTE allocated

for each college; (F) Specify the conditions and time frame for termination of the agreement; (G) Be filed with the System Office President prior to implementation of the course(s); and (H) Be maintained on file at all colleges involved for audit purposes.”

The Level–Two Instructional Service Agreement (ISA) between Davidson County Community College (College Offering the Courses) and Surry Community College (Participating College) for JPN 111 – Elementary Japanese I and JPN 181 – Japanese I Lab, states, in pertinent part, “**Proration of FTE (if applicable):**...2. Davidson County Community College will claim 50% of the FTE earned for students who enroll at Surry Community College. Surry Community College will claim the remaining 50% FTE earned for students who enroll at Surry Community College.” And in “**Other Terms of the Agreement:** 4. Surry Community College will submit a copy of the Surry Community College 10% and final rosters to Davidson County Community College for FTE/census date requirements. A notation should be made on the class roster that this course is offered through an agreement with Davidson County Community College and the FTE is to be split 50-50.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2008	JPN 111 IH1	Elementary Japanese I	432
Fall 2008	JPN 181 IT1	Japanese Lab I	288

The college did not follow the terms of the Instructional Service Agreement with Davidson County Community College and reported all of the hours earned rather than 50% of the hours for budget/FTE. Additionally, there was no documentation of communication with the host college concerning the actual number of student membership hours to be shared for budget/FTE.

The Level –Two Instructional Service Agreement (ISA) between Halifax Community College (College Offering the Courses) and Surry Community College (Participating College) for HUM 160 – Introduction to Film and MUS 110 – Music Appreciation, states, in pertinent part, “**Proration of FTE (if applicable):** Halifax Community College will register and claim 100% FTE for all students who enroll at Halifax Community College. Surry Community College will register all students who enroll at Surry Community College and claim 50% FTE. Halifax Community College will claim the remaining 50% FTE for students registering at Surry Community College.”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2008	HUM 160 IH1	Introduction to Film	384
Fall 2008	MUS 110 IH1	Music Appreciation	360

The college did not follow the terms of the Instructional Service Agreement with Halifax Community College and reported all of the hours earned rather than 50% of the hours for budget/FTE.

The Level –Two Instructional Service Agreement (ISA) between James Sprunt Community College (College Offering the Courses) and Surry Community College (Participating College) for SPA 111 – Elementary Spanish I, states, in pertinent part, “For the administration of budget and enrollment, full-time equivalent (FTE) enrollments for any offering at the receiving site acknowledged under this agreement will be shared between the institutions on a basis of 50% to the originating college (JSCC) and 50% to the receiving college (Surry).”

<u>Semester/Term</u>	<u>Course Number</u>	<u>Course Title</u>	<u>Hours Excepted</u>
Fall 2008	SPA 111 IHE	Elementary Spanish I	168

The college did not follow the terms of the Instructional Service Agreement with James Sprunt Community College and reported all of the hours earned rather than 50% of the hours for budget/FTE.

Recommendation: An exception is taken to 1,632 student membership hours reported for budget/FTE for curriculum students who did not meet the reporting criteria outlined in Title 23 of the North Carolina Administrative Code and Level Two-Instructional Service Agreements between the aforementioned community colleges. 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>
JPN 111 IH1	Fall 2008	864	432	432
JPN 181 IT1	Fall 2008	576	288	288
HUM 160 IH1	Fall 2008	768	384	384
MUS 110 IH1	Fall 2008	720	360	360
SPA 111 IHE	Fall 2008	336	168	<u>168</u>
Total Hours Excepted:				1,632

Concern

During the review of curriculum pre- and co-requisites, it was noted that two students in two different classes reviewed for Fall Semester 2008 did not meet local course prerequisites prior to entering class, and there was no documentation of alternate methods for meeting the course requisites per college policy.

Number Memorandum CC06-269, Course Requisites, states, in pertinent part, “Colleges are responsible for ensuring that students have satisfied prerequisite 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...Colleges should keep records of all instances of granting course requisite fulfillment by alternate methods.”

The *Surry Community College Pre-requisite Waiver Policy*, states, in pertinent part, “...in cases where an instructor feels that a student may be eligible for a waiver of a locally-designated course pre-requisite, he/she refers the student to the division chair responsible for the course in question. The division chair then considers the student’s educational background and documentation (transcripts, test scores, portfolios, etc.) and determines if the student is eligible for a pre-requisite waiver. The division chair documents the evidence relevant to the waiver decision on the Pre-requisite Waiver form. One copy of the form is given to the student; another copy is retained in the division chair’s files.”

Recommendation: College staff should take the necessary steps to familiarize themselves with the aforementioned references to ensure compliance with North Carolina Community College System and local college rules to ensure students meet course requisites prior to entering classes.

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

SUBMITTED BY: Anne O. Miller
Audit Dates: December 14, 2009-January 15, 2010

ATTACHMENT NUMBER ONE

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

FTE Calculation Worksheet

Curriculum

A total of 1,632 curriculum hours were cited that require a financial adjustment:

Curriculum \$ Value \$4,917.35

Hours	/ 512 =	Curriculum FTE	Curriculum Value	Sub-Total Reversion
1,632	/ 512 =	3.19	\$4,917.35	<u>\$15,686.35</u>

Total Curriculum Reversion to be Submitted on Form 104: \$15,686.00

ATTACHMENT NUMBER TWO

Surry 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>
ART 121 01	B. Van Winkle	Main Campus	12/14/09	19	12
CJC 215 IT1	D. Watson, Jr.	Online	1/14/10	22	-
SPI 214 01	L. Brannon	Main Campus	12/14/09	-	- *1
Total CURRICULUM Class Visits/Program Reviews to Date:					3

*1 – No one in class room at time of visit. College staff informed and reported that the instructor had dismissed class early that day since it was the day before exams.

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>
AUT 3109H	D. Hawks	Main Campus	1/12/10	11	11
BSP 2000	A. Key	Yadkin Center	1/13/10	59	7
EDU 3001	C. Ayers	Main Campus	1/12/10	13	13
FIP 3325	E. Southern	Main Campus	1/12/10	-	- *1
HRD 3002B	L. Wells	Yadkin Valley Sr. Center	1/13/10	5	5
NUR 3240	D. Gillespie	Main Campus	1/12/10	23	22
OSC 3636 07	Ed2Go	Online	1/14/10	1	-
PCR 3104D	J. Wright	Main Campus	1/13/10	14	9
TEX 3117H	L. Haynes	Workforce Dev. Center	1/12/10	-	- *2
TXY 3407M	W. Robson	Workforce Dev. Center	1/12/10	-	- *2
Total CONTINUING EDUCATION Class Visits/Program Reviews to Date:					10

*1 – No one in class room at time of visit. Informed by college staff that the class was cancelled.

*2 – Sign on building that all classes were cancelled due to a broken water main.