

# Audit Services

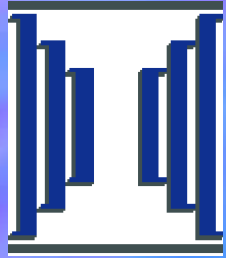
## 2007 NCCCAEA Conference

August 10-12, 2007

Elizabeth Self

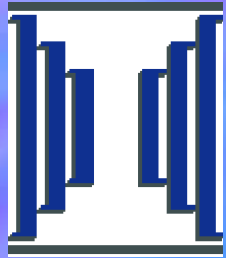
Associate Director

Audit Services



# Mission

The mission of Audit Services is to ensure the accountability and credibility of the North Carolina Community College system in a consultative and proactive manner by providing assistance to college staff with the implementation of pending and current laws, policies, procedures, guidelines, and reporting requirements.



# Audit Services Organizational Chart



North Carolina Community College System

H. Martin Lancaster, President

Fred Williams, Executive Vice President, COO

Vincent Revels, Interim Executive Director

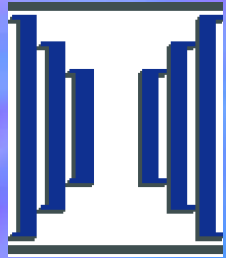
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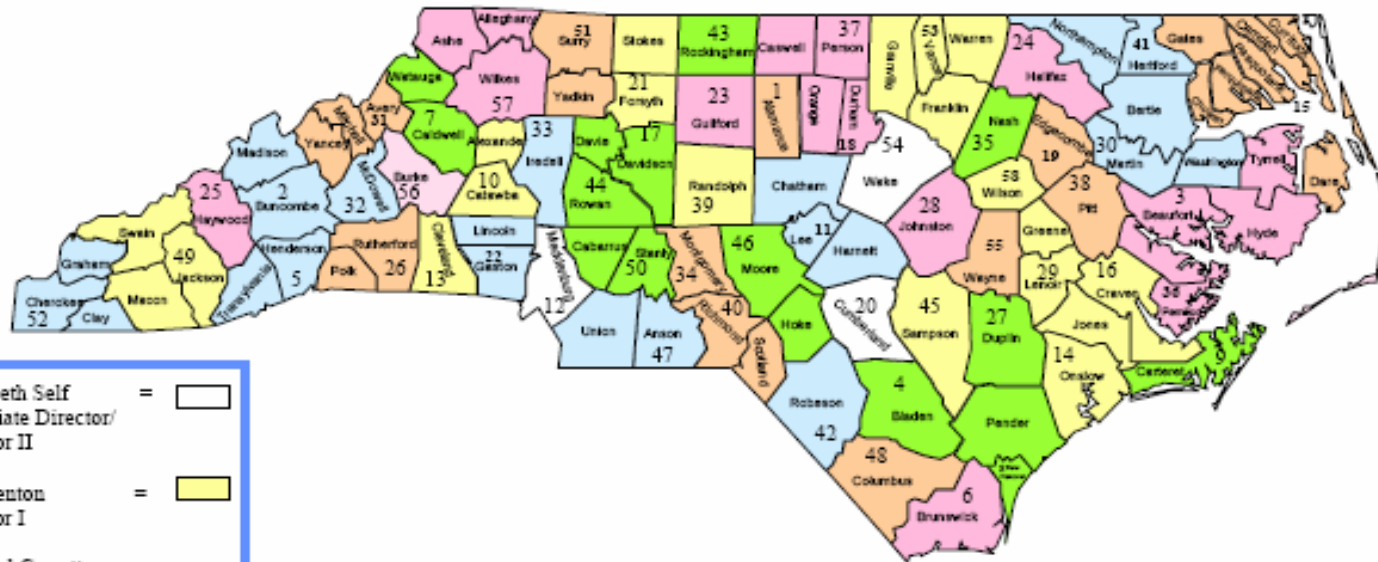
H. Martin Lancaster, President

[www.ncccommunitycolleges.edu](http://www.ncccommunitycolleges.edu)

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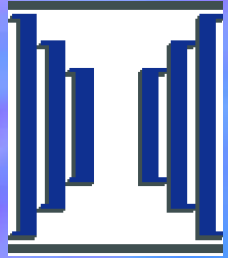


# Auditor Assignments 2007-2008



Elizabeth Self Associate Director/ Auditor II	=	<span style="display: inline-block; width: 15px; height: 15px; border: 1px solid black; background-color: white;"></span>
Jim Benton Auditor I	=	<span style="display: inline-block; width: 15px; height: 15px; background-color: yellow;"></span>
Richard Garrett Auditor I	=	<span style="display: inline-block; width: 15px; height: 15px; background-color: orange;"></span>
Anne Miller Auditor I	=	<span style="display: inline-block; width: 15px; height: 15px; background-color: lightblue;"></span>
Veronica Ross Auditor I	=	<span style="display: inline-block; width: 15px; height: 15px; background-color: green;"></span>
Amanda Tolar Auditor I	=	<span style="display: inline-block; width: 15px; height: 15px; background-color: pink;"></span>

2007 - 2008



# References

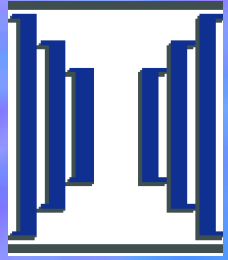
- ❖ North Carolina General Statutes
- ❖ Title 23 North Carolina Administrative Code
- ❖ [www.nccommunitycolleges.edu](http://www.nccommunitycolleges.edu)
  - ❖ NCCCS Numbered Memoranda
  - ❖ Curriculum Procedures Resource Manual
  - ❖ Continuing Education Guidelines
  - ❖ Basic Skills Manual
- ❖ College
  - ❖ Policies & Procedures
  - ❖ Catalog & Publications

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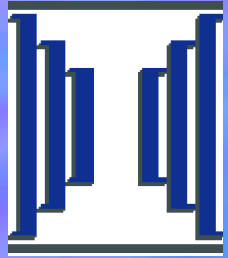
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# Audit Process

- ❖ Who conducts an audit?
- ❖ How often are audits conducted?
- ❖ What is the time frame covered by an audit?
- ❖ What areas of a college are impacted by an audit?



# Elements of an Audit

## ❖ Pre-Audit

- ❖ Review prior year information
- ❖ Develop an audit sample
- ❖ Send audit checklist and sample to college president

## ❖ During Audit

- ❖ Review records
- ❖ Clarify issues and document findings
- ❖ Visit classes
- ❖ Conduct exit conference with college president

## ❖ Post Audit

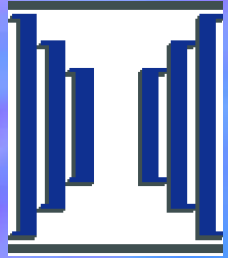
- ❖ Preliminary Audit Report sent to college by Executive Director
- ❖ College has opportunity to appeal findings, as needed
- ❖ Final Audit Report signed by Executive VP sent to college

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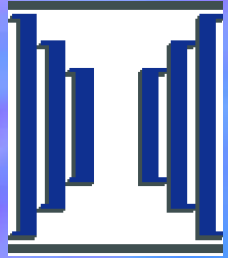
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# What if there is a problem?

- ❖ Concerns and/or Exceptions with recommendations
- ❖ Management Letter with recommendations
- ❖ Financial Penalties
- ❖ The Blue Book—compilation of all concerns and exceptions from a fiscal year published by NCCCS



# FTE—What is it?

## ❖ FTE Calculations:

- ❖ Curriculum FTE = 16 hrs x 16 wks x 2 semesters = 512 hours
- ❖ Extension FTE = 16 hrs x 16 wks x 2 semesters = 512 + (16 hrs x 11 weeks for summer) = 688 hours

## ❖ FTE Values (2007-2008 Figures):

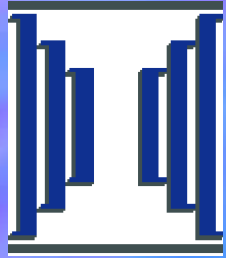
- ❖ Curriculum (Divisor 512)                      \$4,746.30
- ❖ Extension (Divisor 688)                      \$4,133.06
- ❖ Basic Skills (Divisor 688)                      \$5,250.68

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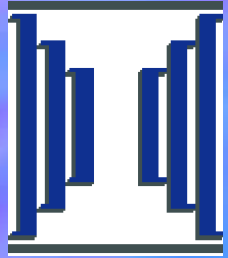
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# Attendance Forms

- ❖ Membership hours reported correctly — verify 10 percent point
- ❖ Ensure contact hours reported correctly
- ❖ Verify scheduled class hours are consistent with class hours reported
- ❖ Instructor signature verifying student attendance



# CE Class Records Review

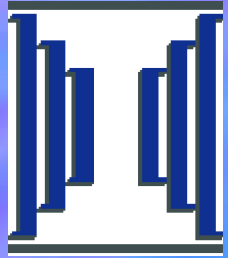
- ❖ Attendance records—maintained throughout course
- ❖ Instructor contract/hours
- ❖ Registration fees, other fees, and fee waivers (HRD fee waiver forms)
- ❖ Student signatures or other evidence of class membership

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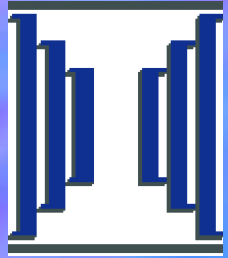
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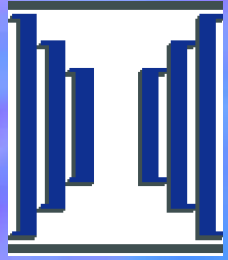
# Accountability Credibility Plan

- ❖ Verification of student membership—signatures and distance learning
- ❖ Class visitation percentages required by Dean/VP, directors, coordinators
- ❖ Location directions and addresses of sites



# Basic Skills—LEIS Forms

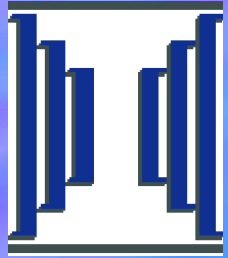
- ❖ Assessment info—pre- and post-test scores
- ❖ Placement based on pre-test
- ❖ Student goals—maximum of 5
- ❖ Goal accomplishment—Outcomes
  - ❖ Student signed form after goal achieved
  - ❖ Instructor documentation of contacts and achievements



# Fee Review/Issues

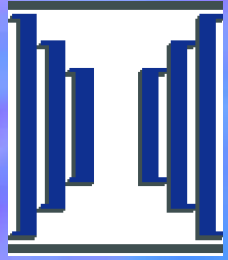
Colleges partnering with agencies/associations and collecting of funds:

- ❖ CC07-078, Emergency Services Training Fee Deposits
- ❖ CC04-092, Collection and Deposit of Institutional Funds
- ❖ CC02-150, New State Board Policy Regarding Fees



# Other Areas Reviewed

- ❖ Self-Supporting Classes/Policy
- ❖ Internal Computer Audit Reports—(XPA Reports)
- ❖ Criminal Justice/BLET Review
- ❖ Captive/Co-opted Approvals
- ❖ Instructional Service Agreements (ISAs)



# Issues Encountered in Audit Reviews

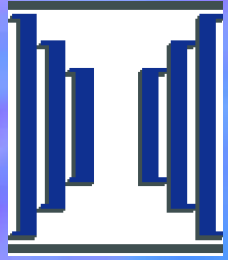
- ❖ Non-compliance with CC04-092, *Collection and Deposit of Institutional Funds* - Outside agency collected fees for a FIP course.
- ❖ Self-Supporting Policy had not been reviewed and approved by the local board within 3-years of its last review. Non-compliance with 23 NCAC - 02D. 0203, *Fees for Extension Programs (b) Self-Supported Classes (3)*

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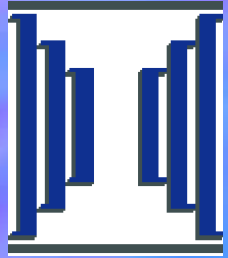
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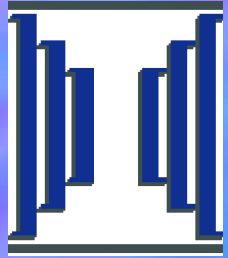
# Issues Encountered in Audit Reviews

- ❖ Students reported for budget/FTE when attendance was after 10% point; dropped prior to the 10% point; or was a no show: refunds given to students reported for budget/FTE. *Reference: 23 NCAC 02D.0324, Reporting of Student Hours in Membership for Continuing Education Classes*



# Issues Encountered in Audit Reviews

- ❖ Failure to either review the CE Occupational Extension Duplicate Class Report or to adjust hours as needed.  
*Reference: 23 NCAC 02D. 0325,  
Limitation in Reporting Student  
Membership Hours (a)(9)*



# Issues Encountered in Audit Reviews

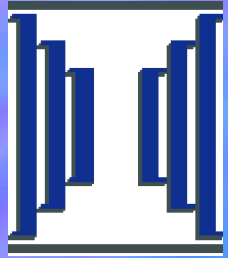
- ❖ Utilizing the correct course prefix (SEF - gratis instruction or decreased/increased registration fees); NIT (no student fees) are not used for non-occupational extension (OE) courses, and the OE course prefixes used, with students reported for budget/FTE.

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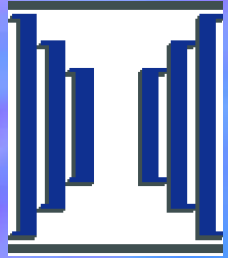
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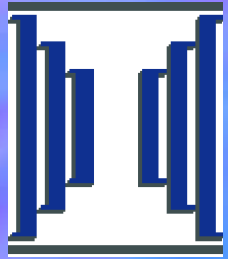
# Issues Encountered in Audit Reviews

- ❖ Student contact hours reported in excess of maximum hours listed on the CE Master Course List (MCL).
- ❖ Failure to document reason/agency for fee waiver.
  - ❖ Remember - course is not fee waived - student is. Ex: All students are senior citizens except one, and all students are fee waived.



# Issues Encountered in Audit Reviews

- ❖ Registration fees are charged based on hours scheduled based on a registration fee set by the State Board. Contact hour courses are based on hours scheduled, not hours attended by individual students. *Reference: 23 NCAC 02D. 0204 Fees for Extension Programs*



# Issues Encountered in Audit Reviews

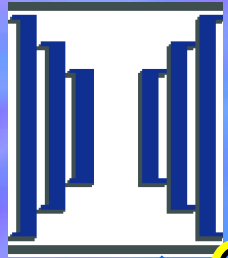
- ❖ Failure to obtain local Board approval for specific course fees charged to students, to include those for the Fire/Rescue College. *Reference: 23 NCAC 02D. 0201 Authority to Establish Tuition and Fees; CC04-092, Collection and Deposit of Institutional Funds; CC02-150, New State Board Policy Regarding Fees*

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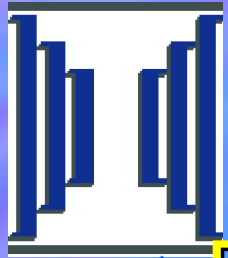
- ❖ Gratis instruction - paid instructional hours are less than the maximum number of individual student hours reported for contact hours or number of membership hours scheduled/reported.  
*Reference: 23 NCAC 02D. 0326 Budget FTE Funding (b); 23 NCAC 02D. 0324 Reporting of Student Hours in Membership for Continuing Education Classes (a)(3)*

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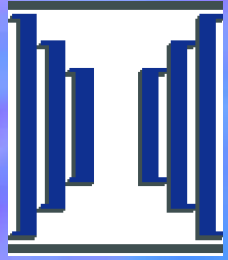
- ❖ Failure to ensure student hours reported as contact (Basic Skills, Captive Co-opted, etc.) are accurately recorded and calculated - even when using spreadsheets to ensure accuracy of formulas. *Reference: 23 NCAC 02D.0324 Reporting of Student Hours in Membership for Continuing Education Classes (b)(3)(4)(5)*

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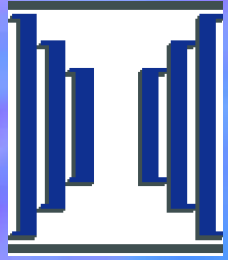
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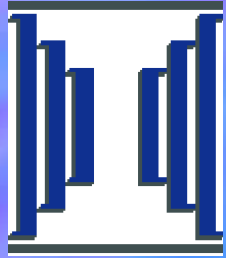
# Issues Encountered in Audit Reviews

- ❖ Failure to code courses appropriately...ex. “P” for prison, “J” for jail, etc. and utilizing the correct DL codes for the method of instruction.  
*Reference: CC05-037 New and Expanded Distance Learning (DL) Codes*



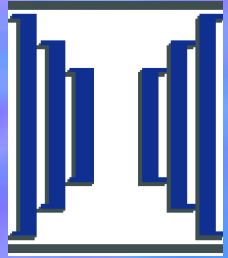
# Issues Encountered in Audit Reviews

- ❖ **Accountability and Credibility Plan for Continuing Education** - This plan is audited against, so the college must ensure that practices are in line with the current plan. *Reference: CC00-147 Revisions to Accountability and Credibility Plan for Continuing*



# Useful Web Sites

- ❖ **Program Audit Services**  
[http://www.ncccommunitycolleges.edu/Program\\_Audit\\_Services/index.html](http://www.ncccommunitycolleges.edu/Program_Audit_Services/index.html)
- ❖ **System Office Numbered Memos**  
[http://www.ncccommunitycolleges.edu/Numbered\\_Memos/index.html](http://www.ncccommunitycolleges.edu/Numbered_Memos/index.html)
- ❖ **North Carolina Administrative Code**  
<http://reports.oah.state.nc.us/ncac.asp> (Title 23)
- ❖ **North Carolina General Statutes**  
<http://www.ncga.state.nc.us/gascripts/Statutes/Statutes.asp>



# North Carolina Community College System Audit Services

Questions

Hypothetical Situations