

North Carolina Association of Community College Instructional
Administrators

(NCACCIA)

Success NC Drive-In Seminar

October 6-7, 2011

AUDIT UPDATE

Happy Fall and Halloween from Audit Services!!!



AUDIT UPDATE

REFERENCES USED

- **North Carolina General Statutes**
- **Title 23 North Carolina Administrative Code**
 - **NCCCS Numbered Memoranda**
 - **Continuing Education Guidelines**
- **College**
 - **Policies and Procedures**
 - **Catalog and Publications**

CC 11-022 - Program Audit Guidelines for Fiscal Year 2011-2012

This numbered memorandum gives a brief overview of the rationale behind the changes to the audit review process as well as the process used when making the changes. It is a prelude to the “Elements of an Audit” and CC11-025 Program Audit Procedures FY 2011-2012.

The highlights are noted below:

- Purpose of annual program audit is “to ensure that college programs and related fiscal operations comply with State Law, State regulations, State Board policies, and System Office guidance.” *General Statute 115D-5(m)*
- “...critical purpose of program audits to validate program/course approvals and student attendance records/FTE reporting.”
- Draft of Program Audit Guidelines [Procedures] reviewed by Policy Committee of State Board in July 2011
- August 19, 2011, State Board approved 2011-2012 Program Audit Guidelines [Procedures]

Program Audit Procedures FY 2011-2012

- Administrative Review
 - Removal of redundant reviews conducted by other System Office staff such as performance measures, IE plan, personnel policies, etc.
 - Removal of reviews conducted/required by other agencies, such as SACS, as part of the college's ongoing activities.
 - Continue review of Program and Financial Audits
- Curriculum Review
 - Focus on review of class attendance records for hours reported for budget/FTE and program/course approvals, as appropriate
 - The following reviews are included and directly support class records and reporting:
 - Academic Calendar(s) – Summer Semester, Standard (16-Week Semester – Fall and Spring); Alternative Calendars/Courses
 - Pre-Requisites and Curriculum Records Review
 - Records Retention and Disposition (on a multi-year review)
 - Curriculum Skills Lab Review
 - Cooperative Education Program Review (COE)
 - Career and College Promise (Effective January 1, 2012 – Not applicable to current year's audit review)
 - Computer Audit Program XPA Reports
 - Criminal Justice Certification (BLET)

- Captive/Co-opted Approvals
- Instructional Service Agreements
- Visits to current classes offered by the college

The following review was eliminated due to redundancy:

- Self-supporting funds

Audit Procedures – Pre-Audit and During Audit

- Auditor contacts President to set dates of audit and sends pre-audit list and class samples; audit review begins at this time
- Entrance Conference limited to brief meeting with President or designee, as needed/desired
- Auditor on campus on various dates to pick up records; visit classes; return required audit review documentation with issues noted; and return for responses

Audit Procedures – Post Audit

- Exit Conference limited to a meeting prior to departing campus on day of college staff responses or a phone conversation with President to briefly discuss potential findings
- Preliminary Audit Report mailed to College President after review by Executive Director of Audit Services (and Executive Vice President)
- College has 30 days to respond in writing and provide additional documentation, as needed

New References and Legislation Effecting Curriculum Since 2010

- CC11-001 Inclement Weather Policies
 - Revises CC00-030 and combines other inclement weather numbered memos

- Addresses:
 - Census Dates – several options
 - Rescheduling Classes and Make Up Assignments –make up assignments cannot be given in lieu of missed classes for literacy and other contact hour classes.
 - Instructor Pay – for hourly instructors, hours paid should at least equal the class hours reported.
- CC11-016 – Legislative Changes to Tuition and Registration Fee Waiver Statutes - Effective July 1, 2011
 - **Public Safety Agencies**
Section 8.12.(a) of S.L. 2011-145 (House Bill 200) amends G.S. 115D-5(b) to clarify tuition and registration fees waived
 - **High School Students**
“Effective January 1, 2012, colleges may only generate budget FTE for high school programming provided through one of the approved Career and College Promise pathways. A future numbered memo will provide additional details about the Career and College Promise program.”

N.C.G.S. 115D-42.1 and House 200/S.L. 2011-145 *Current Operations and Capital Improvements Appropriations Act of 2011*

FTE Values – [FY 2011-2012 figures]

Curriculum \$5,034.52

(Divisor 512)

Findings Noted in Previous Year’s Audit Reviews

- Class semester schedule did not met the requirements of the academic calendar
- Attendance record not verified for accuracy by instructor

- Accurate time records not kept for non-regularly scheduled (contact hour) classes
- BLEET - Fees/Tuition waived inappropriately or improper documentation (no sponsorship or dated for non-applicable semester, no signature, etc.); hours miscalculated; limited enrollee reported for entire class;
- Class membership - miscalculation – student(s) counted for all hours of a class when credit was given for a proficiency exam
- Combined Course Library vs. hours reported
- Cooperative Education – Reported more hours than appropriate based on the Combined Course Library
- Instructional Service Agreement hours reported incorrectly; 100% of hours reported instead of 50%; and/or hours miscalculated due to census date.
- Captive /co-opted course offerings – Contact hours miscalculated; incorrect census dates; classes taught less than the required 60 minutes for a contact hour; calculated as membership vs. contact
- Skills Lab hours reported inappropriately – 1) lab hours overlapped with other courses on students' schedules; 2) failure to report 60 minutes as an hour for contact hour classes; 3) lack of documentation for contact hours reported for online assistance
- 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 another semester.
- The incorrect number of students were reported at the 10% point due to no entry before census date or entry after census date or never attended.

Useful Web Sites

- ❑ Audit Services http://www.nccommunitycolleges.edu/Program_Audit_Services/index.html
- ❑ System Office Numbered Memos
http://www.nccommunitycolleges.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>