

**North Carolina Community College
Adult Educators Association
Conference
Fall 2011**

AUDIT SERVICES UPDATE

Sheraton Imperial Hotel

Durham, NC

September 22, 2011

10:30am – 11:45am

AUDIT SERVICES UPDATE FY 2011-2012

PRESENTERS

Elizabeth C. Self

Executive Director of Audit Services

Anne Miller, Auditor

Wilkes Community College

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
Dr. R. Scott Ralls, President
Kennon D. Briggs, Executive VP and Chief of Staff
Elizabeth Self, Executive Director, Audit Services

REFERENCES

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

Audit Services Update

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



CC11-022 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.”

CC11-022 Program Audit Guidelines for Fiscal Year 2011-2012

CC11-022 (Continued)

- 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

Program Audit Procedures FY 2011-2012

Continuing Education Review:

- Focus on review of class attendance records for hours reported for budget/FTE and program/course approvals, as appropriate
- Review of retention of records moved to a multi-year review

Program Audit Procedures FY 2011-2012

Continuing Education Review (continued):

The following reviews remain, as they directly support class records and reporting:

- Public Safety Training agreements and fees
- Computer Audit Program XPA Reports
- Criminal Justice Certification (BLET)
- Captive/Co-opted Approvals
- Instructional Service Agreements
- Visits to current classes offered by the college

Program Audit Procedures FY 2011-2012

Continuing Education Review (continued):

The following reviews were eliminated due to redundancy:

- Basic Skills LEIS goals
- Adult High School agreements
- Customized Training Program approvals
- Self-supporting funds

Program Audit Procedures

FY 2011-2012

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

Program Audit Procedures

FY 2011-2012

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

Audit Services Update

New References and Legislation Effecting
Continuing
Education
Since 2010



CC10-002 – Audit Procedures Concerning Con Ed Student Signature Requirements

“...findings of non-compliance will be included in Preliminary Audit Reports, **but** audit exceptions will not be made when student signatures have not been obtained, as long as colleges continue to meet the following requirements:

- 23 NCAC 2D.0324(a)(2) verification of fee payment or waiver, and
- 23 NCAC 2D.0324(b)(2) instructor signatures are on rosters.

If these two requirements are not met, audit exceptions based on this finding will be included in the Final Audit Report.”

CC10-025 - Legislative Changes to Tuition and Registration Fee Waiver Statutes

- Law Enforcement Officers – defines law enforcement agencies eligible for waiver
- Prison Inmates – eliminates funding/waiver for inmates of local jails and federal prisons
- Senior Citizens – modified waiver to one noncredit (Con Ed) course per semester

CC10-046 – Additional Clarification: Senior Citizen Continuing Education (OE) Waiver

“A legal resident of North Carolina age 65 or older shall be eligible for the waiver of one occupational extension course that **begins** in each of the following time periods:

- January 1 - May 15;
- May 16 - August 14; and,
- August 15 - December 31.”



CC11-006 – Additional Clarification: Senior Citizen Tuition Waiver – Dropped Courses

- Supplements CC10-025 and CC10-046
- If a senior citizen receives a waiver for a class and then subsequently drops the course after the first day of class, the waiver is considered used and cannot be applied to another course.

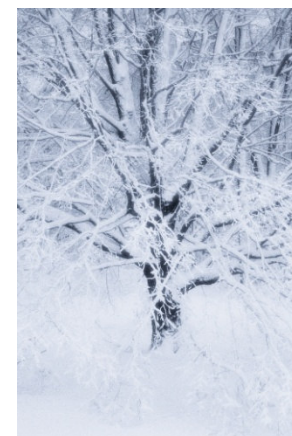


CC10-043 – Basic Skills Plus Guidelines and Applications

- “Basic Skills Plus (S.L. 2010-31, Section 8.2) gives colleges the flexibility to bridge the gap between basic skills and curriculum by providing employability skills; job-specific occupational and/or technical skills; and developmental education free of charge to Basic Skills students concurrently pursuing a high school diploma or GED.”
- State Board approval required prior to implementation of Basic Skills Plus.

CC11-001 Inclement Weather Policies

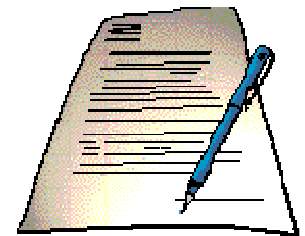
- Revises CC00-030 and combines other inclement weather numbered memos
- Addresses:
 - Census Dates – several options
 - Rescheduling Classes and Make Up Assignments – make up assignments cannot be given in lieu of missed classes for literacy and other contact hour classes.
 - Instructor Pay – for hourly instructors, hours paid should at least equal the class hours reported.



CC11-003 – 2011 HRD

Waiver Guidelines

- Annual income guidelines for the federal income tax credit and federal poverty guidelines
- Students must meet one of the four criteria listed in Title 23 NCAC 02D.0319.
- The policy states that students for whom registration fees are waived must sign a statement on an official college document verifying that they meet one of the criteria.
- Note that students must sign a waiver for each course in which they are enrolled.



CC11-015 Tuition Rates, Con Ed Registration Fees, GED Testing Fee

- **Con Ed Registration Fees**: No change made to the continuing education registration fees for 2011-2012.

0 – 24 Hours: \$ 65

25 – 50 Hours: \$120

50+ Hours: \$175

- **GED Testing Fee**: \$25 per student effective July 1, 2011. This is a one-time fee charged to students who take the battery of GED tests.

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 that tuition and registration fees may be waived for public-safety personnel affiliated with the agencies listed below, provided that the course(s) support the organizations' training needs and are on a specialized course list approved by the State Board of Community Colleges:

CC11-016 – Legislative Changes to Tuition and Registration Fee Waiver Statutes

Public Safety Agencies (continued):

- Volunteer fire departments (including any non-profit departments);
- Municipal, county, or State fire departments;
- Volunteer EMS or rescue and lifesaving departments (including any non-profit departments);
- Municipal, county, or State EMS or rescue and lifesaving departments;
- Radio Emergency Associated Communications Teams (REACT) under contract to a county as an emergency response agency;

CC11-016 – Legislative Changes to Tuition and Registration Fee Waiver Statutes

Public Safety Agencies (continued):

- Municipal, county, or State law enforcement agencies;
- The Department of Correction for the training of full-time custodial employees and employees of the Department's Division of Community Corrections required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission; and
- The Department of Juvenile Justice and Delinquency Prevention for the training of employees required to be certified under Chapter 17C of the General Statutes and the rules of the Criminal Justice and Training Standards Commission. “

CC11-016 – Legislative Changes to Tuition and Registration Fee Waiver Statutes

Public Safety Agencies definitions:

“...Municipal, county, or State fire departments, EMS or rescue and lifesaving departments, and law enforcement agencies are defined as agencies of the State of North Carolina, a North Carolina municipality, or a North Carolina county. This definition does not include private, for-profit entities, including those under contract to the State, a municipality, or a county.”

CC11-016 – Legislative Changes to Tuition and Registration Fee Waiver Statutes

Public Safety Agencies – Federal employees:

“Section 8.12.(d) amends G.S. 115D-39 to provide that ‘federal law enforcement officers, firefighters, EMS personnel, and rescue and lifesaving personnel whose permanent duty station is within North Carolina **shall also be eligible for the State resident community college tuition rate** for courses that support their organizations' training needs and are approved for this purpose by the State Board of Community Colleges.’

Since there is no distinction for in-state and out-of-state registration fees for continuing education courses, **the affected federal employees would be subject to the regular continuing education fees.**”

CC11-016 – Legislative Changes to Tuition and Registration Fee Waiver Statutes

Eliminated Waivers :

- Patients in State alcoholic rehabilitation centers,
- Clients of sheltered workshops,
- Clients of adult developmental activity programs,
- Students in Health and Human Services Development programs,
- Juveniles of any age committed to the Department of Juvenile Justice and Delinquency Prevention by a court of competent jurisdiction,
- Members of the North Carolina State Defense Militia as defined in G.S. 127A-5 and as administered under Article 5 of Chapter 127A of the General Statutes, and
- Prison inmates
- NC Civil Air Patrol members
- Individuals engaged in civil preparedness

CC11-016 – Legislative Changes to Tuition and Registration Fee Waiver Statutes

Community College Faculty or Staff:

“Section 8.12.(b) amends G.S. 115D-5(b) to clarify that community colleges may not waive tuition and registration fees for community college faculty or staff.”

However, colleges may use State funds to pay tuition and registration fees for one course per semester for full-time community college faculty or staff members employed for a term of nine or more months.”

CC11-016 – Legislative Changes to Tuition and Registration Fee Waiver Statutes

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.”

CC11-023 – Adoption of 23 NCAC 02D.0203 “Fees for Extension Programs” Effective Sept. 1, 2011

- Elimination of the 21-week rule for extension classes. Rule amended “to be consistent with legislative amendments which require that fees for college continuing education courses be based on the number of class time hours.”
- Provided the definition of self-supporting classes as “not reported to the state for budget FTE since the cost of conducting the course is paid by students enrolled.”

Memo from Tracy McPherson to CE Senior Administrators on August 31, 2011

Course Hour Modifications – EMS Paramedic:

- Effective January 1, 2012
- The recommended and maximum hours for EMS 3029 and EMS 3031 will be reduced on the Continuing Education MCL.
- The reduction in MCL hours does not reflect a change in requirements for certification.

Audit Services Update

FTE Values – [FY 2011-2012 figures]

Curriculum	\$5,034.52
Occupational Extension	\$4,677.50
Basic Skills	\$5,476.13
Individual cost for Occupational Extension course taken more than twice in a five-year period (Divisor 688)	\$6.80

Issues Noted in Previous Year's Audit Reviews

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.

REFERENCE: 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*

Issues Noted in Previous Year's Audit Reviews

Students were reported for more hours, either contact or membership, than the total hours for which the instructor was paid. No payment for instruction was made or “gratis” instruction for the student hours reported.

REFERENCE: 23 NCAC 02D .0326 *Budget FTE Funding*

Issues Noted in Previous Year's Audit Reviews

More hours were reported per student than the number of class hours scheduled in official college documents and the number of hours met.

REFERENCE: 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education Classes*

Issues Noted in Previous Year's Audit Reviews

A class held at a correctional institution was scheduled as a contact hour class; however, hours were reported for budget/FTE as a membership hour class.

REFERENCE: *GS 115D-5(c1)*, states, in pertinent part, "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..."

Issues Noted in Previous Year's Audit Reviews

In captive co-opted classes, students entered the class after the 10% point and were counted for budget/FTE.

REFERENCE: *General Statute 115D-5(c1)*, states, in pertinent part, "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 *Reporting of Student Hours in Membership for Continuing Education Classes*

Numbered memorandum, CC94-248, *Elimination of Multi-Entry/Multi-Exit Programming in All Prison Classes*

Issues Noted in Previous Year's Audit Reviews

Students were inappropriately fee waived when they were enrolled in continuing education classes which were not directly related to job performance or the students' agency affiliation did not meet the applicable criteria.

REFERENCES: *General Statutes 115D-5(b)* states in pertinent part, "the State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees...

(2) Courses requested by the following entities that support the organizations' training needs and are on a specialized course list approved by the State Board of Community Colleges." **(See CC11-016 for list of public safety agencies as of 7/1/11.)**

23 NCAC 02D .0203, Fees for Extension Programs

23 NCAC 02D .0324, *Reporting of Student Hours in Membership for Continuing Education Classes*

Issues Noted in
Previous Year's Audit Reviews
**Contact hours for non-regularly scheduled
classes were not calculated correctly and/or
no documentation of the actual attendance
times was noted on the attendance records.**

REFERENCE: 23 NCAC 02D .0324 *Reporting of
Student Hours in Membership for Continuing
Education*

Issues Noted in Previous Year's Audit Reviews

Per documentation (or no activity) provided for the non-traditional classes. Students were reported for budget/FTE that were not in class membership at the 10 percent point of the class; students completed activities prior to start date of class, but not prior to or at the 10% point; or hours reported as contact hours without documentation to support hours reported.

REFERENCE: 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education*

CC04-109 *Clarification of Reporting and Documenting Student Membership Hours for Distance Education Courses and Course Orientation*

Issues Noted in Previous Year's Audit Reviews

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.

REFERENCE: 23 NCAC 02D .0324 *Reporting of Student Hours in Membership for Continuing Education*

Issues Noted in Previous Year's Audit Reviews

**Lead instructor or instructor did not sign
attendance records verifying attendance.**

REFERENCE: 23 NCAC 02D .0324 *Reporting of
Student Hours in Membership for Continuing
Education*

Issues Noted in Previous Year's Audit Reviews

Paid, assigned instructors were also registered as students with hours reported for budget/FTE.

REFERENCE: 23 NCAC 02D .0326(b) *Budget FTE Funding*

WHO IS YOUR AUDITOR?

- Assignments are set at the beginning of the year but may be changed so it is best to check our website for your assigned auditor.
- For Auditor Contact Information and Colleges Assigned to the Auditor:
http://nccommunitycolleges.edu/Program_Audit_Services/Auditor_Assigned_Colleges%202011-2012.htm
- From the page above, select the link “Alphabetical Listing by College”

2011-2012 Auditor Assignments

College	Auditor	College	Auditor	College	Auditor
Alamance CC	Terry McCauley	Central Carolina CC	Amanda Tolar	Forsyth Technical CC	Connie McKinney
Asheville-Buncombe Technical CC	Connie McKinney	Central Piedmont CC	Anne Miller	Gaston College	Connie McKinney
Beaufort County CC	TBA	Cleveland CC	Connie McKinney	Guilford Technical CC	Anne Miller
Bladen CC	Terry McCauley	Coastal Carolina CC	TBA	Halifax CC	TBA
Blue Ridge CC	Connie McKinney	College of The Albemarle	Amanda Tolar	Haywood CC	Connie McKinney
Brunswick CC	Terry McCauley	Craven CC	Amanda Tolar	Isothermal CC	Connie McKinney
Caldwell CC & TI	Anne Miller	Davidson County CC	Anne Miller	James Sprunt CC	Amanda Tolar
Cape Fear CC	Amanda Tolar	Durham Technical CC	Anne Miller	Johnston CC	Amanda Tolar
Carteret CC	TBA	Edgecombe CC	Terry McCauley	Lenoir CC	TBA
Catawba Valley CC	Anne Miller	Fayetteville Technical CC	Amanda Tolar	Martin CC	Terry McCauley

2011-2012 Auditor Assignments

College	Auditor	College	Auditor	College	Auditor
Mayland CC	Anne Miller	Robeson CC	TBA	Vance-Granville CC	Amanda Tolar
McDowell Technical CC	Connie McKinney	Rockingham CC	Anne Miller	Wake Technical CC	Terry McCauley
Mitchell CC	Amanda Tolar	Rowan-Cabarrus CC	Anne Miller	Wayne CC	Terry McCauley
Montgomery CC	Terry McCauley	Sampson CC	Terry McCauley	Western Piedmont CC	Anne Miller
Nash CC	TBA	Sandhills CC	Amanda Tolar	Wilkes CC	Terry McCauley
Pamlico CC	TBA	South Piedmont CC	Connie McKinney	Wilson CC	TBA
Piedmont CC	Amanda Tolar	Southeastern CC	TBA		
Pitt CC	Amanda Tolar	Southwestern CC	Connie McKinney		TBA= To Be Announced
Randolph CC	Terry McCauley	Stanly CC	Anne Miller		
Richmond CC	Amanda Tolar	Surry CC	Connie McKinney		
Roanoke-Chowan CC	Terry McCauley	Tri-County CC	Anne Miller		Assignments as of 9/26/11

Audit Services Update

Questions

Hypothetical Situations

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>