December 10, 2014

Dr. Barbara Tansey, President
Beaufort County Community College
5337 Hwy 264 East
Washington, NC 27889

Dear Dr. Tansey:

Enclosed is the final audit report of findings from the education program audit conducted fiscal year 2014-2015 at Beaufort County Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated December 2, 2014, concurred with the findings. Therefore, a Curriculum concern with two findings was noted for the processes, procedures, classes, and programs reviewed.

For tracking purposes, please send an email to gardnerm@nccommunitycolleges.edu upon receipt of this report to confirm the report has been received.

Thank you for cooperating with the North Carolina Community College System (NCCCS) Audit Services staff during the performance of the audit.

Sincerely,

Jennifer Haygood
Executive Vice President/Chief Financial Officer

Enclosure

c: Russell Smith, Chair, Beaufort County CC Board of Trustees
   Elizabeth Self, Executive Director, NCCCS Audit Services

cc: Beth Wood, NC State Auditor
North Carolina Community College System

Final Audit Report for Beaufort County Community College
Audit Conducted: Fiscal Year 2014-2015
Records Reviewed: Spring Semester 2013-Spring Semester 2014

AUDIT METHODOLOGY

An education program audit was conducted at Beaufort County Community College by the North Carolina Community College System (NCCCS) Audit Services staff on the maintenance of records and the reporting of student membership hours as well as certain college procedures for Spring Semester 2013 through Spring Semester 2014. 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 (SBCC). The request to appeal and grounds for appealing the report findings must be submitted in writing within thirty days of receipt of the final audit report. The Board’s Accountability and Audit Committee will hear the appeal and make its recommendation to the State Board.

The major components of the annual education program audits to be conducted during the 2014-2015 fiscal year are outlined in Numbered Memorandum CC14-030, Program Audit Procedures FY 2014-2015. The scope of the program audit review includes, but is not limited to, the major components noted in CC14-030. Based on the various audit reviews conducted as outlined in CC14-030, additional information may be requested for clarification or to provide a clearly defined audit trail to ensure compliance with North Carolina General Statute 115D-5 and the State Board of Community Colleges Code (formerly the North Carolina Administrative Code).

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 is notified. Program reviews/class visits conducted for the current fiscal year are listed in Attachment I, Summary of Class Visits Conducted FY 2014-2015.

FINDINGS SUMMARY

Based on the site review, a Curriculum concern with two findings was noted and is discussed on the pages that follow.
FINAL AUDIT FINDINGS

CURRICULUM CONCERN

In a review of Curriculum records, the following concern with two findings was identified.

Finding One: In a review of Curriculum records, it was found that for two Cooperative Education (COE) classes reviewed (COE 113 02 and COE 113 03) that 480 class hours were reported for students enrolled at the ten percent point of the classes when a maximum of 320 class hours may be reported.

Reference

1G SBCCC 200.93 Reporting of Student Hours in Membership for Curriculum Classes, states, in pertinent part:

(f) Curriculum Student Work Experience and Clinical Practice. The following criteria apply to the reporting guidelines for students enrolled in curriculum work experience and clinical practice courses, exclusive of work station based training. Examples of student work experience include cooperative education, practicums, and internships. Clinical practice refers to work experience in health occupation programs.
   (1) Student membership hours for student work experience and clinical practice shall not generate budget/FTE without prior approval by the System Office for such activities through the appropriate curriculum standard.
   (2) Work Experience. Work experience for curriculum courses shall earn budget/FTE at the 100 percent rate of assigned work experience hours and shall not exceed a maximum of 320 membership hours per student per semester.
      (A) These classes shall be coordinated by college personnel paid with college instructional funds and may be located in one or more sites.

Recommendation: College staff should take the necessary steps to familiarize themselves with the aforementioned reference to ensure the appropriate number of class hours are reported for budget/FTE. Staff should review all COE attendance records with class hours reported for budget/FTE since Spring Semester 2014 and make any necessary adjustment as allowed per the three semester grace period for adjusting class hours reported for budget/FTE.

Finding Two: In a review of Curriculum records, it was found that class hours were over-reported for CJC 141 20 Spring Semester 2014 when the number of students enrolled at the ten percent point of the class was miscalculated.

Reference

1G SBCCC 200.93 Reporting of Student Hours in Membership for Curriculum Classes, states, in pertinent part:
(a) 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 (see 1D SBCCC 400.95(a) and 1H SBCCC 200.87(a)(3)). Instructional hours include scheduled class and laboratory sessions as well as examination sessions. Length of semesters or courses may vary as long as credit hours are assigned consistent with 1G SBCCC 100.1 and as long as membership hours are reported consistent with the other provisions of this Rule. Also, note 1G SBCCC 200.99 which identifies the reporting periods for submission of Institution Class Reports.

(b) Regularly-Scheduled Classes.

(1) A class is regularly scheduled if it meets all of the following criteria:
   (A) assigned definite beginning and ending time;
   (B) specific days the class meets is predetermined;
   (C) specific schedule is included on the Institution Master Schedule or other official college documents;
   (D) class hours are assigned consistent with college catalog and curriculum standard requirements; and
   (E) identified class time and dates are the same for all students registered for the class excluding clinical or cooperative work experience;
      (i) Classes which have a regularly scheduled lecture section and a non-regularly scheduled laboratory section shall satisfy this criteria. The census date (10% point) shall be determined from the regularly scheduled portion of the class. Verification of student participation in the laboratory section of the class shall be available for review.
      (ii) A student shall be considered absent if that student did not attend during the specified times or days the class was scheduled to meet.

(2) 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.

(3) Definition of a Student Membership Hour. A student membership hour is one hour of scheduled class or laboratory for which the student is enrolled. A college shall provide a minimum of 50 minutes of instruction for each scheduled class hour. A college shall provide sufficient time between classes to accommodate students changing classes. A college shall not report more hours per student than the number of class hours scheduled in the approved curriculum program of study compliance document.

(4) Calculation of Student Membership Hours for Regularly Scheduled Classes. Student membership hours are obtained by multiplying the number of students in membership at the 10 percent point in the class by the total number of hours the class is scheduled to meet for the semester as stated in the college catalog and the approved curriculum program of study compliance document (see 1D SBCCC 400.97(4)).

(5) 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 (see the Public Records Retention & Disposition Schedule for Institutions in the Community College System). Student membership hours shall be summarized in the Institution's Class Report and certified by the president or designee. For classes identified as non-traditional delivery (see Subparagraph (e)(1) of this Rule), documentation of student contact prior to the 10 percent point shall be maintained in the same manner as the attendance records mentioned in this Rule.

**Recommendation:** College staff should take the necessary steps to familiarize themselves with the aforementioned references to ensure the appropriate number of class hours are reported for budget/FTE. Staff should review all attendance records with class hours reported for budget/FTE since Spring Semester 2014 and make any necessary adjustment as allowed per the three semester grace period for adjusting class hours reported for budget/FTE.

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

**SUBMITTED BY:** Terry McCauley  
**AUDIT DATES:** July 30 – August 14, 2014