



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

R. Scott Ralls, Ph.D.

President

June 27, 2014

Dr. Stanley Sidor, President
South Piedmont Community College
Post Office Box 126
Polkton, NC 28135

Dear Dr. Sidor:

Enclosed is the final audit report for the education program audit conducted fiscal year 2013-2014 at South Piedmont Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated June 25, 2014, included additional documentation that has now been reviewed and incorporated into the final audit results. The documentation negated the hours excepted in Curriculum; however, a Continuing Education final concern with one finding, remains noted for the processes, procedures, classes, and programs reviewed.

For tracking purposes, please send an email to gardnerm@ncccommunitycolleges.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 for Operations
Chief Financial Officer

Enclosure

- c: Thomas L. Crooke, Sr., Chair, South Piedmont CC Board of Trustees
Elizabeth Self, Executive Director, NCCCS Audit Services
- ec: Beth Wood, NC State Auditor

North Carolina Community College System

Final Audit Report for South Piedmont Community College

Audit Conducted: Fiscal Year 2013-2014

Records Reviewed: Spring Semester 2012-Spring Semester 2013

AUDIT METHODOLOGY

An education program audit was conducted at South Piedmont 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 2012 through Spring Semester 2013. 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 2013-2014 fiscal year are outlined in Numbered Memorandum CC13-018, *Program Audit Procedures FY 2013-2014*. The scope of the program audit review includes, but is not limited to, the major components noted in CC13-018. Based on the various audit reviews conducted as outlined in CC13-018, 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 2013-2014.

FINDINGS SUMMARY

Based on the site review and additional information provided in response to the college's preliminary audit report, a final Continuing Education concern with one finding remains identified and is discussed on the pages that follow.

FINAL AUDIT FINDINGS

CONTINUING EDUCATION CONCERN

In a review of the Continuing Education records, the following finding was identified.

Finding: In a review of the Continuing Education class records, it was found that there were various areas noted where hours were incorrectly reported for budget/FTE, both negatively and positively. This finding included areas listed below:

1. Regularly scheduled class hours were reported for budget/FTE when there was no evidence of registration payment prior to at the census date, and there was no documentation showing instructor pay for the hours reported.
2. Non-traditional (online) class hours were reported for budget/FTE when there was no documentation for attendance in the online classroom
3. Non-regularly scheduled class hours were reported for budget/FTE when there was no actual time of attendance noted on the attendance record reviewed.
4. For one regularly scheduled class reviewed (HEA 3021 302), 7,364 class hours were negatively adjusted prior to the audit review when college staff was uncertain about reporting the class hours for budget/FTE because all class fees had not been paid prior to or at the 10% point of the class.

Reference

1G SBCCC 200.94 Reporting of Student Hours in Membership for Continuing Education Classes, states:

(a) Regularly Scheduled Classes.

- (1) Definition of Regularly Scheduled Class. A class is considered to be regularly scheduled if it meets all of the following criteria:
 - (A) Assigned definite beginning and ending time;
 - (B) Specific predetermined days and time the class meets;
 - (C) Specific schedule is included on the Institution Master Schedule or other official college documents;
 - (D) Class hours are assigned consistent with State Board approval and official college documents; and
 - (E) Identified class time and dates are the same for all students registered for the class excluding clinical or work experience:
 - (i) Classes which have a regularly scheduled lecture section and a non-regularly scheduled laboratory section will satisfy the 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; or
- (ii) A student is considered absent if that student did not attend during the specified times or days the class was scheduled to meet.
- (2) Definition of Student Membership. A student is considered to be in class membership when the student meets all of the following criteria:
 - (A) Enrolled as evidenced by payment of the applicable registration fees, or obtained a waiver as defined in Paragraph (a) of Rule 1E SBCCC 400.99.
 - (B) Attended one or more classes held prior to or on the 10 percent point in the class; and
 - (C) Has not withdrawn or dropped the class prior to or on the 10 percent point of the class.
 - (3) 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 not report more hours per student than the number of class hours scheduled in official college documents. Colleges shall not report more hours per student than the number of hours specified in the instructor's contract.
 - (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 as stated in official college documents.
 - (5) Maintenance of Records of Student Membership Hours. Accurate attendance records shall be maintained for each 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 as provided in 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.
- (b) Non-Regularly Scheduled Classes.
- (1) Definition of Non-Regularly Scheduled Class. A non-regularly scheduled class may include any or all of the following:
 - (A) A class where a definitive beginning and ending time is not determined;

- (B) A class offered in a learning laboratory type setting (see Subparagraph (b)(6) of this Rule for definition of learning laboratory);
 - (C) A self-paced class where the student progresses through the instructional materials at the student's own pace, and can complete the courses as soon as the student has successfully met the educational objectives. Classes offered as independent study are generally offered in this manner;
 - (D) A class in which a student may enroll during the initial college registration period or in which a student may be permitted to enroll at any time during the semester; or
 - (E) Any class not meeting all criteria for a regularly scheduled class as shown in Subparagraph (a)(1) of this Rule, is considered to be a non-regularly scheduled class for reporting purposes. Note classes defined as non-traditional (see Paragraph (c) of this Rule) which are identified as a separate student hour reporting category are not subject to the provisions in Paragraph (b) of this Rule.
- (2) Definition of Student Membership. A student is considered to be in class membership when the student meets the following criteria:
- (A) Enrolled as evidenced by payment of the applicable registration fees, or obtained a waiver as defined in Paragraph (a) of Rule 1E SBCCC 400.99; and
 - (B) Attended one or more classes.
- (3) Definition of Student Contact Hour. A student contact hour is one hour of student attendance in a class for which the student is in membership as defined in Subparagraph (b)(2) of this Rule. Sixty minutes shall constitute an hour.
- (4) Calculation of Student Contact Hours for Non-Regularly Scheduled Classes. For these classes, actual time of class attendance for each student determined to be in membership shall be reported. Sixty minutes shall constitute an hour. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester.
- (5) Maintenance of Records of Student Contact Hours. Accurate attendance records shall be maintained for each 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 as provided in the Public Records Retention and Disposition Schedule for Institutions in the Community College System. Student membership hours shall be summarized in the Institution Class Report and certified by the president or designee.

- (6) Learning Laboratory. Learning laboratory programs consist of self-instruction using programmed text, audio-visual equipment, and other self-instructional materials. A learning laboratory coordinator has the function of bringing the instructional media and the student together on the basis of objective and subjective evaluation and of counseling, supervising, and encouraging persons working in the laboratory. Contact hours shall be calculated as noted in Subparagraph (b)(4) of this Rule.
- (c) Classes Identified as Extension Non-Traditional Delivery.
- (1) Definition. Due to the methodology by which instruction is delivered, non-traditional delivery classes are not consistent with the definitions of regularly scheduled or non-regularly scheduled classes described in this Rule. Non-traditional delivery classes are defined as those classes which are offered through media such as internet, telecourses, videocassette, and other electronic media excluding classes offered via the North Carolina Information Highway.
 - (2) For those classes identified as non-traditional delivery, student attendance in class or in an orientation session, submission of a written assignment or a submission of examination is the basis for the determination of class membership at the 10 percent point of the class. Student membership hours in such classes shall be calculated by multiplying the number of students in membership, as defined in the prior sentence, times the number of instructional hours delivered which are determined as follows:
 - (A) Determine the number of hours of instruction delivered via non-traditional delivery; and
 - (B) Add the number of hours of class meetings.

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 college procedures to ensure processes used for reporting class hours for budget/FTE provide a clean audit trail for audit review. When reporting class hours for budget/FTE, if there is any concern in regard to reporting specific class hours, please contact the college's assigned auditor or the Executive Director of Audit Services.

Staff should review all records reported for student membership hours for budget/FTE since Spring Semester 2013 and make any necessary adjustment of class hours reported as allowed per three semester grace period.

SUBMITTED BY: Nina Taylor
AUDIT DATES: April 8-25, 2014

ATTACHMENT I

South Piedmont Community College Summary of Class Visits Conducted FY 2013-2014

CURRICULUM

Course Prefix and Number	Section	Instructor	Location	Date of Visit	Students Enrolled	Attendance at Time of Visit	Notes if Applicable.
BIO 163	2W1	E. Wolfe	Main Campus	4/08/14	19	16	
HUM 220	2W1	T. Frailly	Main Campus	4/08/14	31	26	
PHY 110	2W2	S. Gugs	Main Campus	4/08/14	18	7	
Total Curriculum Class Visits/Program Reviews to Date: 3							

CONTINUING EDUCATION AND LITERACY

Course Prefix and Number	Section	Instructor	Location	Date of Visit	Students Enrolled	Attendance at Time of Visit	Notes if Applicable.
BSP 2000	07	S. Lowman	Brown Creek Correctional Institution	4/07/14	12	11	
BSP 2000	118	S. Payne	Lockhart Taylor Center	4/08/14	1	1	
CJC 5035	115	D. Hinson	Lockhart Taylor Center	4/07/14	26	26	
COM 3725	113	D. Caudle	Ed2Go	4/08/14	1	1	
EDU 3200	349	D. Caudle	Ed2Go	4/08/14	1	1	
HRD 3001	138	T. Denny	Brown Creek Correctional Institution	4/07/14	11	10	
HRD 3001	146	N. Woodson	Lanesboro Correctional Institution	4/24/14	12	2	
HRD 3001	384	G. Baucom	Main Campus	4/08/14	10	10	
HRD 3004	386	J. Nolan	Main Campus	4/08/14	7	5	
NUR 3240	304	M. Ratliff	Main Campus	4/08/14	15	7	
Total Continuing Education Class and Literacy Visits/Program Reviews to Date: 10							