August 25, 2014

Dr. Susanne Adams, President
Brunswick Community College
Post Office Box 30
Supply, NC 28462

Dear Dr. Adams:

Enclosed is the final report of audit findings from the education program audit conducted fiscal year 2013-2014 at Brunswick Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated July 16, 2014, provided additional explanations related to these findings which did not include information from the North Carolina General Statutes or State Board of Community Colleges Code and approved policies that would negate the findings included in the preliminary audit report. Therefore, a Curriculum concern with one finding and a Continuing Education concern with one finding remain identified for the sample of records pulled from the Institution Class Reports (ICR), programs, policies, and procedures 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 for Operations
Chief Financial Officer

Enclosure

C: John Jones, Chair, Brunswick CC Board of Trustees
   Elizabeth C. Self, Executive Director, NCCCS Audit Services
   Beth Wood, NC State Auditor
North Carolina Community College System

Final Audit Report for Brunswick 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 Brunswick 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, a Curriculum concern with one finding and a Continuing Education concern with one finding were noted and are discussed on the pages that follow.
FINAL AUDIT FINDINGS

CURRICULUM CONCERN

Finding: In a review of the Curriculum class records, it was found that there were various areas where class hours were incorrectly reported for budget/FTE. This finding includes the areas listed below:

1. For a regularly scheduled class reviewed, the number of students enrolled at the ten percent point of the class was miscalculated.
2. For a non-regularly scheduled class reviewed (independent study), the contact hours reported for budget/FTE for three students enrolled in the class exceeded the number of class hours listed in the Combined Course Library (CCL).
3. In conducting the Curriculum Skills Lab Review, it was found that contact hours were reported for tutoring time with students when there were no instructor referrals for said students.
4. In reviewing a class offered online (non-traditional delivery), it was found that the number of students enrolled at the ten percent point of the class was miscalculated per the class documentation provided showing one student as a “no show.”
5. In conducting a review of the Curriculum Computer Audit Program Results - XPA, Student Course Overlap for Curriculum – XPAQ, it was found that students were enrolled in two curriculum classes with overlapping schedules, resulting in class hours over-reported for budget/FTE.

For the areas noted in this finding, class hours over-reported did not total a Curriculum FTE (512 hours), and therefore, the finding is noted as a concern.

References

1G SBCCC 200.93 Reporting of Student Hours in Membership in Curriculum Classes, states:
(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.

(c) Non-Regularly Scheduled Classes.

(1) 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 1G SBCCC 200.94(b)(6) for definition of learning laboratory);
   (C) a class self-paced in that the student progresses through the instructional materials at the student's own pace, and can complete the class 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 the 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 (b)(1) of this Rule, is considered to be a non-traditional (see Paragraph (e) of this Rule) which are identified as a separate student hour reporting category are not subject to the above provisions in Paragraph (c).

(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 tuition and fees, or obtained a waiver as defined in 1G SBCCC 300.99(a); 800.97(a); and 900.98 23(a); and
   (B) attended one or more classes.

(3) Definition of a Student Contact Hour. For non-regularly scheduled classes, student contact hour is defined as actual time of student attendance in a class or lab. 60 minutes shall constitute an hour. 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 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. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester, and shall not exceed the hours in the approved curriculum program of study compliance document. (see 1D SBCCC 400.97(4)).
(5) Maintenance of Records of Student Contact Hours. Accurate attendance records shall be maintained for each class of the nature described in this Rule through the entire semester. 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 contact hours shall be summarized in the Institution's Class Report and certified by the president or designee.

(d) Skills Laboratory or Computer Tutorial Laboratory. Individualized instructional laboratories are similar to learning laboratories (see 1G SBCCC 200.94(b)(6)) except the participants are curriculum students. Skills labs or computer tutorial labs are remedial or developmental in nature and intended for students who are experiencing academic difficulty in a particular curriculum course. A skills laboratory instructor shall be qualified in the single-subject area of the skills laboratory. A computer tutorial laboratory coordinator need not be qualified in any of the subject area(s) provided in a computer tutorial laboratory. Student contact hours may be reported for budget/FTE when students are required by their instructor to attend either of the laboratories for remedial or developmental work and when the skills laboratory instructors or computer tutorial coordinators are paid with curriculum instructional funds.

(1) Documentation of instructor referral shall be maintained for auditing purposes. Maintain documentation until released by audit.

(2) Homework assignments shall not be reported for budget/FTE. (See 1G SBCCC 200.95(a)).

(3) Calculation of Student Contact Hours for Skills Laboratory or Computer Tutorial Laboratory. For these classes, actual time of class attendance shall be reported; 60 minutes shall constitute an hour. Student hours generated for these types of classes are the sum of all the hours of actual student attendance in a class in a given semester.

(e) Classes Identified as Curriculum 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 submission of an examination, is the basis for the determination of class membership at the 10 percent point of the class. Student membership hours earned in non-traditional delivery classes shall be calculated by multiplying the number of students in membership, as defined in the prior sentence, times the number of hours assigned to the class in official college documents. For these
classes, the number of hours assigned shall be consistent with the credit hours
assigned according to 1G SBCCC 100.1, as well as the curriculum standard.
(3) Non-traditional instruction delivered is pre-structured into identifiable units.
Non-traditional delivery classes do not include classes identified as independent
study which are not media based.

IE SBCCC 700.99 Authority to Establish Tuition and Fees, states, in pertinent part,
(a) Authority to Charge. All tuition and registration fees charged to students for
applying to or attending any college of the system shall be approved by the State Board. No tuition
rate or fee schedule shall be charged without resolution of the State Board specifying the purpose
for which the fee is charged.
(b) Time Due and Deferred Payment. Tuition, registration fees and required academic
fees are due and payable at the time of the student's registration. The college shall, with approval
of the board of trustees, prescribe written procedures to permit short-term deferred payment or
payment in installments; provided, however, that no student shall be permitted to graduate or to
register for a new semester unless payment of such outstanding balance has been guaranteed in
writing by a financially responsible person or organization. Colleges are authorized to withhold
transcripts of grades pending resolution of the outstanding obligations. This statement shall not
be construed to prohibit a college's local governing board from adding more stringent provisions.

CC99-235 Computerized Audit Programs, states, in pertinent part, “Each college should
determine its own internal procedures for the use of this software and for internal access by
college personnel. Some programs affect only continuing education, some affect only
curriculum, and others affect both program areas. It is highly recommended that colleges
run these programs each semester on a regular basis to identify and correct problems before
they become audit issues. Typically, colleges who routinely run these reports have a much
lower incidence of reporting errors that end up being cited as audit exceptions. When
colleges run the reports and make corrections, it is required that a copy of the report and
documentation of any resulting adjustments be maintained and available for review during
the audit.”

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 class attendance records with class hours reported for
budget/FTE since Spring Semester 2013 and make any necessary adjustment of previously
reported class hours as allowed per the three semester grace period.
CONTINUING EDUCATION CONCERN

Finding: In a review of the Continuing Education class records, it was found that there were several areas where class hours were incorrectly reported for budget/FTE. This finding includes the areas listed below:

1. In a review of Continuing Education class records, it was found that class hours were reported for regular budget/FTE for a non-traditional (distance learning) class when the class was a Self-Supporting (SEF) class.
2. In a review of Continuing Education class records, it was found that the instructor for a regularly scheduled class reviewed was enrolled in the class as a student with hours reported for budget/FTE. It is inappropriate for hours to be reported for budget/FTE for a student who is also an instructor.

References

1G SBCCC 200.95 Limitations in Reporting Student Membership Hours, states:
   (e) Self-supporting classes shall not be reported for regular budget purposes (those classes supported by student fees or a class in which instruction is provided gratis); all recreational extension classes fall in this category.

1E SBCCC 400.99 Fees for Extension Programs, states:
   (a) Registration fees for Non-Curriculum Extension Instruction. For purposes of administration of this Rule, non-curriculum extension instruction means all instruction organized, supervised, or delivered outside the regular curriculum programs offered by the college.
      (1) A registration fee, as established by the State Board, as set by the Legislature shall be charged for each occupational extension class.
      (2) Each local board shall establish registration fees for Community Service Programs.
      (3) All recreational courses shall be self-supporting. Colleges shall collect and deposit to a local account fees and other contributions to support entirely the costs of all recreational extension courses taught. Also note Paragraph (e) of Rule 1G SBCCC 200.95 of this Subchapter regarding the reporting of student membership hours for this area...
   (b) Self-Supported Classes. A self-supporting class is not reported to the state for budget FTE since the cost of conducting the course is paid by students enrolled. A college may sponsor self-supporting classes, deposit income (if any) to a local account, and pay all expenses from the local account. Each student shall pay a pro-rata share of the cost of a self-supporting class. Since the cost for a self-supporting class is not considered a registration fee, the pro-rata cost for any individual or group is not waived under G.S. 115D-5(b) or G.S. 115B-2
1G SBCCC 200.94 Reporting of Student Hours in Membership for Continuing Education Classes, states, in pertinent part,
(a) Regularly Scheduled Classes.
(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.

Recommendation: College staff should take the necessary steps to familiarize themselves with the aforementioned references to ensure the appropriate number of student membership hours are reported for budget/FTE. College staff should review all class attendance records with class hours reported for budget/FTE since Fall Semester 2012 and make any necessary adjustment of previously reported class hours as allowed per the three semester grace period.

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

SUBMITTED BY:    Nina Taylor
AUDIT DATES:    April 30 – May 23, 2014
ATTACHMENT I

Brunswick Community College
Summary of Class Visits Conducted FY 2013-2014

CURRICULUM

<table>
<thead>
<tr>
<th>Course Prefix and Number</th>
<th>Section</th>
<th>Instructor</th>
<th>Location</th>
<th>Date of Visit</th>
<th>Students Enrolled</th>
<th>Attendance at Time of Visit</th>
<th>Notes if Applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACA 115</td>
<td>03AEC</td>
<td>J. Doyle</td>
<td>Main Campus</td>
<td>4/30/14</td>
<td>14</td>
<td>13</td>
<td>*1</td>
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<tr>
<td>CHM 152</td>
<td>01A</td>
<td>K. Jones</td>
<td>Main Campus</td>
<td>4/30/14</td>
<td>36</td>
<td>-</td>
<td>*2</td>
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<tr>
<td>ENG 131</td>
<td>04A</td>
<td>R. Rogan</td>
<td>Main Campus</td>
<td>4/30/14</td>
<td>26</td>
<td>17</td>
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</tr>
</tbody>
</table>

*1 - Students were present in classroom, however, the instructor was not present at time of visit.
*2 - Class was not meeting at time of visit. Class had dismissed early.

Total Curriculum Class Visits/Program Reviews to Date: 3

CONTINUING EDUCATION AND LITERACY

<table>
<thead>
<tr>
<th>Course Prefix and Number</th>
<th>Section</th>
<th>Instructor</th>
<th>Location</th>
<th>Date of Visit</th>
<th>Students Enrolled</th>
<th>Attendance at Time of Visit</th>
<th>Notes if Applicable</th>
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</thead>
<tbody>
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<td>18670</td>
<td>D. Malloy</td>
<td>Leland Campus</td>
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<tr>
<td>CAS 3020</td>
<td>21801</td>
<td>L. Summerlin</td>
<td>Online (Ed2Go)</td>
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<tr>
<td>CJC 3952</td>
<td>18932</td>
<td>S. Turner</td>
<td>Brunswick County Sheriff’s Department</td>
<td>7/24/13</td>
<td>0</td>
<td>0</td>
<td>*1</td>
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<tr>
<td>HRD 3001</td>
<td>18823</td>
<td>A. Cardenas</td>
<td>Brunswick Education Training Center</td>
<td>7/24/13</td>
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<td>MLS 3874</td>
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<td>Main Campus</td>
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<td>WLD 3106</td>
<td>18835</td>
<td>F. Spell</td>
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<td>3</td>
<td></td>
</tr>
</tbody>
</table>

*1 - Class was cancelled.
*2 - No students were present at time of visit. Instructor was available at class location during time of visit and noted the class was non-regularly scheduled (multi-entry/multi-exit).

Total Continuing Education Class and Literacy Visits/Program Reviews to Date: 6