NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
Dr. R. ScottRails, President

January 22, 2014

Dr. L. Steve Thornburg, President
Cleveland Community College
137 South Post Road
Shelby, NC 28152.6296

Dear Dr. Thornburg:

Enclosed is the final audit report of findings from the education program audit conducted fiscal year 2013-2014 at Cleveland Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated January 13, 2014, concurred with these findings. Therefore, a Curriculum final audit exception with three 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 for Operations,
Chief Financial Officer

Enclosure

c: Hoyt Q. Bailey, Chair, Cleveland 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 Cleveland 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 Cleveland 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 final audit exception with three findings was noted and is discussed on the pages that follow.
FINAL AUDIT FINDINGS

CURRICULUM EXCEPTION

In a review of the Curriculum records, the following findings were identified. The related classes included in the findings are listed in the Summary of Audit Findings for Education Program Audit, Attachment A.

Finding One: In conducting the review of Curriculum class offerings, Career and College Promise (CCP) records, it was found that a CCP student entered the regularly-scheduled class listed in Attachment A after the ten percent point of the class and was reported for budget/FTE.

Reference

1G SBCCC 200.93 (b)(2)(5) Reporting of Student Hours in Membership for Curriculum Classes, states, in pertinent part, “Regularly-Scheduled Classes. (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...(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.”

Finding Two: In a review of the eligibility of Career and College Promise students for continued enrollment in Curriculum classes, it was found that one student designated as P1042B, Core 44 College Transfer Pathway (this student was also in a Career Technical Education Pathway), failed to maintain a 2.0 in college coursework after completing three courses in Fall Semester 2012. The student was enrolled in the class listed in Attachment A in Spring Semester 2013 with class hours reported for budget/FTE.

Reference

Career and College Promise Operating Procedures, as approved March 16, 2012, by the State Board of Community Colleges, states, in pertinent part, “Career Technical Education Pathway. 5. To maintain eligibility for continued enrollment, a student must: a. Continue to make progress toward high school graduation, and b. Maintain a 2.0 in college coursework after completing two courses.”
Finding Three: In a review of Curriculum class offerings, PBT 101 141, Phlebotomy Practicum, it was found that class hours were reported for budget/FTE for students who attended the class prior to the scheduled start date of the class.

Note: Per the course information listed in the Combined Course Library, PBT 101 is to be offered as clinical hours only. This class was reported as membership hours although class documentation provided showed that the class actually met the definition of a non-regularly-scheduled class which must be reported as contact hours. Effective Spring Semester 2014, the class hours must be reported for budget/FTE as contact hours if the class meets the definition of a non-regularly scheduled class. This finding applies in either situation, whether the class was set up as regularly-scheduled or non-regularly scheduled.

Reference

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

(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...
(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-regularly scheduled class for reporting purposes. Classes defined as 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 1E SBCCC 800.97(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.”

Recommendation: A final audit exception is taken to 712 hours reported for budget/FTE for Curriculum classes which did not meet reporting criteria outlined in Title 1 of the State Board of Community Colleges Code and State Board approved procedures/directives. Staff should take the necessary steps to familiarize themselves with the aforementioned references to ensure the appropriate numbers of hours are reported for budget/FTE.

Staff should review all records for which student membership hours were reported for budget/FTE since Spring Semester 2013 and make any necessary adjustments.

Total Curriculum Hours Cited: **712**

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

SUBMITTED BY:    Anne O. Miller
AUDIT DATES:      September 4-24, 2013
### ATTACHMENT I

Cleveland 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>
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<tr>
<td>CJC 100</td>
<td>101</td>
<td>P. Vassey</td>
<td>Main Campus</td>
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<td>18</td>
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<td>Main Campus</td>
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<td>6</td>
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<td>PSY 150</td>
<td>940</td>
<td>D. Osteen</td>
<td>Main Campus – Early College</td>
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**Total Curriculum Class Visits/Program Reviews to Date:** 3

#### CONTINUING EDUCATION AND LITERACY

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<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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<td>BSP 2000</td>
<td>26020</td>
<td>R. Clark</td>
<td>New Bynum Chapel AME Zion</td>
<td>9/04/13</td>
<td>4</td>
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<td>BSP 2000</td>
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<td>23057</td>
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<td>EMS 3044</td>
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*1 – Open Lab – no students present at time of visit. Instructor present.

**Total Continuing Education Class and Literacy Visits/Program Reviews to Date:** 10
## SUMMARY OF AUDIT FINDINGS FOR EDUCATION PROGRAM AUDIT

**ATTACHMENT A - FINAL**

**Audit FY: 2013-2014**

**COLLEGE:**
Cleveland Community College

### CURRICULUM HOURS EXCEPTED

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<tr>
<th>Curriculum Finding</th>
<th>Course #</th>
<th>Semester</th>
<th>Original Hours Reported</th>
<th>Tier 1 Over-reported Hours Excluded (to be Subtracted)</th>
<th>Tier 1 Under-reported Hours Excluded (to be Added)</th>
<th>Tier 2 Over-reported Hours Excluded (to be Subtracted)</th>
<th>Tier 2 Under-reported Hours Excluded (to be Added)</th>
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<th>Tier 2 Total Hours Excluded</th>
<th>Correct Hours for Reporting</th>
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<td></td>
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<td>Three</td>
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<td><strong>128.00</strong></td>
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<td><strong>584.00</strong></td>
<td><strong>128.00</strong></td>
<td><strong>3,640.00</strong></td>
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</table>

**TOTAL CURRICULUM HOURS EXCEPTED:** 712.00
ATTACHMENT B

Cleveland Community College
FTE Reversion Summary
Audit Conducted: FY 2013-2014

**CURRICULUM:** A total of 712 Curriculum hours were cited that require a financial adjustment.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Hours</th>
<th>Divisor</th>
<th>Curriculum FTE</th>
<th>Curriculum Value</th>
<th>Curriculum Reversion (Rounded)</th>
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**TOTAL CURRICULUM TIER 1 AND 2** $7,265.00

**TOTAL FTE REVERSION** *

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<th>Description</th>
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<td>Continuing Education Reversion</td>
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<td>Literacy (Basic Skills) Reversion</td>
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</table>

**TOTAL REVERSION** $7,265.00

*This audit exception has been posted to decrease the college’s available budget by $7,265.00. This audit exception reversion must be posted to the college budget prior to submitting next month's files.