Dr. J. Larry Keen, President  
Fayetteville Technical Community College  
2201 Hull Road  
Fayetteville, NC 28303  

Dear Dr. Keen:

Enclosed is the final audit report of a finding from the education program audit conducted fiscal year 2013-2014 at Fayetteville Technical Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated June 20, 2014, did not challenge or provide additional documentation to negate the findings cited in the preliminary report. Therefore, a Continuing Education final audit exception with two findings and a Curriculum final concern with one finding were 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,

[Signature]

Jennifer Haygood  
Executive Vice President for Operations  
Chief Financial Officer

Enclosure

c: Dr. Dallas Mack Freeman, Chair, Fayetteville TCC 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 Fayetteville Technical 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 Fayetteville Technical 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.

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 to date are listed in Attachment I, the Summary of Class Visits Conducted FY 2013-2014.

FINDINGS SUMMARY

Based on the site review, a Continuing Education final audit exception with two findings and a Curriculum final concern with one finding were noted and are discussed on the pages that follow.
Fayetteville Technical Community College
FY 2013-14 Audit Findings
Page 2

FINAL AUDIT FINDINGS

CONTINUING EDUCATION EXCEPTION

In a review of the Continuing Education 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 a review of Continuing Education records, it was found that for the regularly scheduled class listed in Attachment A, the number of students enrolled at the ten percent point of the class was miscalculated.

Reference

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

(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.

Finding Two: In a review of Continuing Education records, it was found that for the regularly scheduled classes listed in Attachment A students enrolled with class hours reported for budget/FTE when they were fee waived inappropriately. For CJC 5000 000, Spring Semester 2012, one student was fee waived based on affiliation with Methodist University Campus Police. For EMS 3000 099 and EMS 3031 220, Summer Semester 2012, one student in each class was fee waived based on affiliation with Johnston Ambulance Service which is a private ambulance service. For EMS 3031 234, Summer Semester 2012, one student was a resident of South Carolina and fee waived based on affiliation with First Health (South Carolina). For EMS 3079 111, Summer Semester 2012, two students were fee waived on affiliation with Duke Life Flight which is affiliated with Duke University Health System, a private agency.

References

N.C.G.S. 115D-5(b)(2) states, in pertinent part,

(b) In order to make instruction as accessible as possible to all citizens, the teaching of curricular courses and of noncurricular extension courses at convenient locations away from institution campuses as well as on campuses is authorized and shall be encouraged. A pro rata portion of the established regular tuition rate charged a full-time student shall be charged a part-time student taking any curriculum course. In lieu of any tuition charge, the State Board of Community Colleges shall establish a uniform registration fee, or a schedule of uniform registration fees, to be charged students enrolling in extension courses
for which instruction is financed primarily from State funds. The State Board of Community Colleges may provide by general and uniform regulations for waiver of tuition and registration fees for the following:

(1) Persons not enrolled in elementary or secondary schools taking courses leading to a high school diploma or equivalent certificate.

(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:
   a. Volunteer fire departments.
   b. Municipal, county, or State fire departments.
   c. Volunteer EMS or rescue and lifesaving departments.
   d. Municipal, county, or State EMS or rescue and lifesaving departments.
   d1. Law enforcement, fire, EMS or rescue and lifesaving entities serving a lake authority that was created by a county board of commissioners prior to July 1, 2012.
   e. Radio Emergency Associated Communications Teams (REACT) under contract to a county as an emergency response agency.
   f. Municipal, county, or State law enforcement agencies. 

1G SBCCC 200.94(a)(2) 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.

Recommendation: A final audit exception is taken to 3,358 class hours reported for budget/FTE for Continuing Education classes which did not meet reporting criteria outlined in the North Carolina General Statutes and Title 1 of the State Board of Community Colleges Code. 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 records for which student membership hours were 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.
CURRICULUM CONCERN

In a review of Curriculum records, the following area of concern was identified.

Finding One: In a review of Curriculum class records, it was found that for one non-traditional class, one hybrid class, and one regularly scheduled class reviewed with hours reported for budget/FTE Spring Semester 2013 that the number of students enrolled at the ten percent point of the classes was miscalculated.

Reference

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

(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.”

And

(c) 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.
Fayetteville Technical Community College
FY 2013-14 Audit Findings
Page 7

**Recommendation:** College staff should take the necessary steps to familiarize themselves with the aforementioned references to ensure that class hours are accurately reported for budget/FTE. 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.

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

SUBMITTED BY: Elizabeth C. Self and Nicole J. Wood
AUDIT DATES: April 9 – 23, 2014
ATTACHMENT I

Fayetteville Technical 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>DEN 224</td>
<td>0001/0002</td>
<td>J. Crowell</td>
<td>Main Campus</td>
<td>4/23/14</td>
<td>10/12</td>
<td>-</td>
<td>*1</td>
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<tr>
<td>HUM 122</td>
<td>0001</td>
<td>D. Johnson</td>
<td>Main Campus</td>
<td>4/23/14</td>
<td>35</td>
<td>22</td>
<td></td>
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<tr>
<td>SGD 164</td>
<td>0001</td>
<td>Willie Lockett</td>
<td>Main Campus</td>
<td>4/23/14</td>
<td>17</td>
<td>9</td>
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1. Both morning and afternoon session students were in attendance due to certification testing being done.

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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<tbody>
<tr>
<td>COS 3201K</td>
<td>104771</td>
<td>D. Richardson</td>
<td>Main Campus</td>
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<td>11</td>
<td>5</td>
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<tr>
<td>CJC 5070M</td>
<td>111234</td>
<td>K. Holloman</td>
<td>Cumberland County Detention Center</td>
<td>4/08/14</td>
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<td>EMS 3031D</td>
<td>104802</td>
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<tr>
<td>EMS 3060AZ</td>
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<td>EMS 3079A</td>
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<td>MLA 3022A</td>
<td>109105</td>
<td>A. Bacon</td>
<td>Spring Lake Campus</td>
<td>4/08/14</td>
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<td>MLS 3886J</td>
<td>107502</td>
<td>M. Horton</td>
<td>Fort Bragg Soldier Development Center (BSDC)</td>
<td>4/23/14</td>
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<tr>
<td>MLS 3886K</td>
<td>107481</td>
<td>R. Diggs</td>
<td>Fort Bragg Soldier Development Center (BSDC)</td>
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<td>NUR 3240A</td>
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<td>J. Allsbrook</td>
<td>Cliffdale Park (CDPK)</td>
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<td>NUR 3240A</td>
<td>107114</td>
<td>D. Barry</td>
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<td>WLD 3106K</td>
<td>108685</td>
<td>J. Thomas</td>
<td>Spring Lake Campus</td>
<td>4/08/14</td>
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*1 - Class is actually scheduled at another location. Per college staff, DSS location prints on schedule due to data entry.
*2 - All students at various clinical sites per college staff.

Total Continuing Education Class and Literacy Visits/Program Reviews to Date: 10
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<th>Subject</th>
<th>ENS 3079 11T</th>
<th>Summer 2012</th>
<th>ENS 3031 2T4</th>
<th>Summer 2012</th>
<th>ENS 3031 2T2</th>
<th>Summer 2012</th>
<th>ENS 3000 099</th>
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<th>CEC 6500 000</th>
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</tbody>
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**CONTINUING EDUCATION HOURS EXCEPTED**

**Fayetteville Technical Community College**

**COLLEGE:**

**SUMMARY OF AUDIT FINDINGS FOR EDUCATION PROGRAM AUDIT**

**ATTACHMENT A:**

**AUDIT FY:** 2013-2014
CONTINUING EDUCATION: A total of 3,358.00 Continuing Education hours were cited that require a financial adjustment.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Hours</th>
<th>Divisor</th>
<th>Continuing Education FTE</th>
<th>Continuing Education Value</th>
<th>Continuing Education Reversion (Rounded)</th>
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<td>2</td>
<td>2,630</td>
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<td>3.82</td>
<td>$4,836.79</td>
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<td>3</td>
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<td>1.06</td>
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<td>$4,623.06</td>
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TOTAL CONTINUING EDUCATION TIER 2 AND 3 $23,100.00

TOTAL FTE REVERSION *

<p>| | |</p>
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<tr>
<td>Curriculum Reversion</td>
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<tr>
<td>Continuing Education Reversion</td>
<td>23,100.00</td>
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<tr>
<td>Literacy (Basic Skills) Reversion</td>
<td>.00</td>
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<tr>
<td>TOTAL REVERSION</td>
<td>$23,100.00</td>
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*This audit exception has been posted to decrease the college’s available budget by $23,100.00. This audit exception reversion must be posted to the college budget prior to submitting next month’s files.