July 22, 2015

Dr. Patricia A. Skinner, President
Gaston College
201 Highway 321 South
Dallas, North Carolina 28034-1499

Dear Dr. Skinner:

Enclosed is the final audit report of a finding from the education program audit conducted fiscal year 2014-2015 at Gaston College pursuant to North Carolina General Statute 115D-5(m). The college response dated July 16, 2015, included additional documentation that has now been reviewed and incorporated into the final audit results. Therefore, a Curriculum final audit concern with one finding remains noted for the processes, procedures, classes, and programs reviewed.

For tracking purposes, please send an email to gardnern@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

cc: James Smith, Chair, Gaston College Board of Trustees
    Elizabeth Self, Executive Director, NCCCS Audit Services
    Patrick Fleming, Director, NCCCS College User Support Team
    Beth Wood, NC State Auditor
North Carolina Community College System

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

AUDIT METHODOLOGY

An education program audit was conducted at Gaston 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.

FINDINGS SUMMARY

Based on the site review, a Curriculum final audit concern with one finding was noted and is discussed on the pages that follow.
FINAL AUDIT FINDINGS

In a review of the Curriculum records, the following concern was identified for class hours reported for regular budget FTE.

CURRICULUM CONCERN

Finding: In a review of Curriculum class offerings, it was found that class hours were incorrectly reported for regular budget/FTE when the number of students in attendance at the ten percent point of seventeen classes offered Fall Semester 2013 and eight classes offered Spring Semester 2014 was miscalculated. The college provided additional documentation in their response to the preliminary audit report that negated 384 class hours that had been cited for COS 114 L40 taught Spring Semester 2014, and therefore reduced the level of the finding to that of a concern. It is important to note, however, that the class attendance record provided for the audit review did not show one student as enrolled in the class, whereas the additional documentation provided in response to the preliminary audit report showed the student enrolled in the class, negating 384 class hours of the original finding.

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.

(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.

(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.

**Recommendation:** A final audit concern is noted for Curriculum classes which did not meet reporting criteria outlined in Title 1 of the State Board of Community Colleges Code. Staff should take the necessary steps to familiarize themselves with the aforementioned reference to ensure the appropriate number of class hours are reported for regular budget FTE.

Staff should review all records for which class hours were reported for regular budget FTE since Spring Semester 2014 and make any necessary adjustments which can be made based on the three semester grace period. It is also very important that staff provide the same documentation utilized when reporting college class hours on the Institutional Class Report (ICR) to Audit Services staff for conducting the audit review. This provides clarity and integrity for the accountability process.

Additionally, it was noted that the College is utilizing Web Attendance in Curriculum. Due to the number of reporting errors that are possibly related to issues with Web Attendance, it is recommended that college staff consult the College User Support Team for assistance and training in this area.

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

**SUBMITTED BY:** Anne O. Miller  
**AUDIT DATES:** May 21 – June 10, 2015