May 14, 2014

The Honorable Walter Dalton, President
Isothermal Community College
Post Office Box 804
Spindale, NC 28160

Dear President Dalton:

Enclosed is the final audit report of a finding from the education program audit conducted fiscal year 2013-2014 at Isothermal Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated May 6, 2014, included additional documentation that has now been reviewed and incorporated into the final audit results. Therefore, a Literacy/Basic Skills final concern with one finding remains 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

cc: Grady Franklin, Jr., Chair, Isothermal CC Board of Trustees
    Elizabeth Self, Executive Director, NCCCS Audit Services
    Beth Wood, NC State Auditor
North Carolina Community College System

Final Audit Report for Isothermal 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 Isothermal 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 documentation provided, a Literacy/Basic Skills final audit concern with one finding was noted and is discussed on the pages that follow.
Isothermal Community College  
FY 2013-14 Audit Findings  
Page 2

**FINAL AUDIT FINDINGS**  
**LITERACY/BASIC SKILLS CONCERN**

**Finding:** In a review of Literacy/Basic Skills class offerings, it was found that the instructor of record did not sign the attendance record verifying the accuracy of the information on the online attendance records for the four classes listed below.

<table>
<thead>
<tr>
<th>Semester</th>
<th>Course Code</th>
<th>Course Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2012</td>
<td>BSP 2000 01</td>
<td>24198</td>
</tr>
<tr>
<td></td>
<td>BSP 2000 01</td>
<td>24209</td>
</tr>
<tr>
<td></td>
<td>BSP 2000 01</td>
<td>24215</td>
</tr>
<tr>
<td>Fall 2012</td>
<td>BSP 2000 01</td>
<td>26626</td>
</tr>
</tbody>
</table>

It is noted that the preliminary audit report included hours for instruction provided in Summer 2012 for BSP 2000 100 24862 that were negated when the college provided an affidavit affirming the attendance reported for the class to be correct as sworn to by the instructor of record. The removal of those hours resulted in reducing the finding level to that of a concern with no reversion of funding required.

**Reference**

1G SBCCC 200.94 (b)(5) Reporting of Student Hours in Membership for Continuing Education Classes, states, in pertinent part, “(b) Non-Regularly Scheduled Classes. (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.

**Recommendation:** A final audit concern is noted for Literacy/Basic Skills 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 references to ensure the appropriate number of student membership hours are reported for budget/FTE and records are properly maintained.

Staff should review all records reported for student membership hours for budget/FTE since Fall Semester 2012 and make any necessary adjustments.

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

**SUBMITTED BY:** Anne O. Miller, Auditor  
**AUDIT DATES:** November 21, 2013 – January 7, 2014
## ATTACHMENT I

**Isothermal 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>AST 151A</td>
<td>001TR</td>
<td>M. Lipkin</td>
<td>Main Campus</td>
<td>11/21/13</td>
<td>17</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>COS 119</td>
<td>001TR</td>
<td>C. Toney</td>
<td>Main Campus</td>
<td>11/21/13</td>
<td>11</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>HMT 110</td>
<td>001TR</td>
<td>R. Haney</td>
<td>Main Campus</td>
<td>12/12/13</td>
<td>3</td>
<td>2</td>
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**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>
</tr>
</thead>
<tbody>
<tr>
<td>BSP 2000</td>
<td>31202</td>
<td>C. Campfield</td>
<td>Rutherford Life Services</td>
<td>11/21/13</td>
<td>57</td>
<td>8</td>
<td></td>
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<tr>
<td>BSP 2000</td>
<td>31247</td>
<td>D. Govus</td>
<td>Main Campus</td>
<td>12/12/13</td>
<td>228</td>
<td>5</td>
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<td>BSP P2000</td>
<td>31200</td>
<td>R. Hampton</td>
<td>Rutherford Correctional Center</td>
<td>12/12/13</td>
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<td>4</td>
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<td>CJC 3941</td>
<td>31722</td>
<td>G. Cochran, H. Kempster</td>
<td>Main Campus</td>
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<tr>
<td>HEA 3021</td>
<td>28273</td>
<td>M. Kirby</td>
<td>Polk Center</td>
<td>11/21/13</td>
<td>8</td>
<td>5</td>
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<tr>
<td>HRD 3002</td>
<td>31484</td>
<td>C. Onderdonk</td>
<td>Main Campus</td>
<td>11/21/13</td>
<td>28</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>NUR 3240</td>
<td>31326</td>
<td>J. Steele</td>
<td>Rutherfordton Learning Center</td>
<td>11/21/13</td>
<td>11</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

**Total Continuing Education Class and Literacy Visits/Program Reviews to Date:** 7