January 26, 2015

Dr. William S. Carver, II, President
Nash Community College
Post Office Box 7488
Rocky Mount, NC 27804

Dear Dr. Carver:

Enclosed is the final audit report of a finding from the education program audit conducted fiscal year 2014-2015 at Nash Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated January 6, 2015, concurred with this finding. Therefore, a Curriculum final audit exception with one finding 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,

[Signature]

Jennifer Haygood
Executive Vice President/Chief Financial Officer

Enclosure

cc: Samuel Dickens III Chair, Nash 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 Nash Community College
Audit Conducted: Fiscal Year 2014-2015
Records Reviewed: Spring Semester 2013-Spring Semester 2014

AUDIT METHODOLOGY

An education program audit was conducted at Nash 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 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 exception with one finding is discussed on the pages that follow.
FINAL AUDIT FINDINGS

CURRICULUM EXCEPTION

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

Finding: In a review of Curriculum records, it was found that for two regularly scheduled classes (AUT 116 40 Fall Semester 2013 and CJC 100 21 Spring Semester 2014) and one non-traditional (online) delivery class (BUS 110 OL03 Fall Semester 2013), the number of students enrolled at the ten percent point of the classes was miscalculated. For AUT 116 40, class hours were reported for budget/FTE for two students when the students never attended the class, and for CJC 100 21, two students returned the required class gear, notified college staff of their intent to leave the class, and were shown on documentation provided for audit review as having a termination date prior to the ten percent point of the class. Additionally, the CJC 100 21 official class attendance record shows the students’ last dates of attendance as prior to the ten percent point of the class. For BUS 110 OL03, class hours were reported for budget/FTE for one student who did not complete the required “Enrollment Verification Activity” prior to or on the ten percent point of the class.

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.

(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.

**Recommendation:** A final audit exception is taken to 1,616 class 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. College staff should take the necessary steps to familiarize themselves with the aforementioned reference to ensure the appropriate number of student membership hours are reported for budget/FTE.

Staff should review all records for which student membership hours were reported for budget/FTE since Spring Semester 2014 and make any necessary adjustments.

**Total Curriculum Hours Cited:** 1,616

**Recommendation:** College staff should take the necessary steps to familiarize themselves with the aforementioned reference to ensure the appropriate number of student membership hours are reported for budget/FTE. Staff should review all records reported for student membership hours for budget/FTE since Fall Semester 2013 and make any necessary adjustments.

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

**SUBMITTED BY:** Nicole J. Wood

**AUDIT DATES:** September 5 – October 1, 2014
SUMMARY OF AUDIT FINDINGS FOR EDUCATION PROGRAM AUDIT

ATTACHMENT A - FINAL

COLLEGE: Nash Community College

CURRICULUM HOURS EXCEPTED

<table>
<thead>
<tr>
<th>Curriculum Finding</th>
<th>Course #</th>
<th>Semester</th>
<th>Original Hours Reported</th>
<th>Tier 1A Over-reported Hours Excepted (to be Subtracted)</th>
<th>Tier 1A Under-reported Hours Excepted (to be Added)</th>
<th>Tier 2 Over-reported Hours Excepted (to be Subtracted)</th>
<th>Tier 2 Under-reported Hours Excepted (to be Added)</th>
<th>Tier 1A Total Hours Excepted</th>
<th>Tier 2 Total Hours Excepted</th>
<th>Correct Hours for Reporting</th>
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</thead>
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<tr>
<td>One</td>
<td>AUT 116 40</td>
<td>2013FA</td>
<td>1,520.00</td>
<td>320.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>320.00</td>
<td>-</td>
<td>1,200.00</td>
</tr>
<tr>
<td>Number of students</td>
<td>BUS 110 OL0</td>
<td>2013FA</td>
<td>2,784.00</td>
<td>-</td>
<td>-</td>
<td>48.00</td>
<td>-</td>
<td>-</td>
<td>48.00</td>
<td>2,736.00</td>
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<tr>
<td>at 10% point was</td>
<td>CJC 100 21</td>
<td>2014SP</td>
<td>19,344.00</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<td>miscalculated.</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td>Subtotal</td>
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<td></td>
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<td>-</td>
<td>320.00</td>
<td>1,296.00</td>
<td>22,032.00</td>
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</tbody>
</table>

TOTAL CURRICULUM HOURS EXCEPTED: 1,616.00
ATTACHMENT B  
Nash Community College  
FTE Reversion Summary  
Audit Conduced: FY 2014-2015

**CURRICULUM:** A total of 1,616 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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<td>1A</td>
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<td>---</td>
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<td>$4,907.16</td>
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**TOTAL CURRICULUM TIER 1A, 1B & 2**  
$16,112.97  
$16,113.00

**TOTAL FTE REVERSION** *

<table>
<thead>
<tr>
<th>Curriculum Reversion</th>
<th>$16,113.00</th>
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</thead>
<tbody>
<tr>
<td>Continuing Education Reversion</td>
<td>.00</td>
</tr>
<tr>
<td>Literacy (Basic Skills) Reversion</td>
<td>.00</td>
</tr>
</tbody>
</table>

**TOTAL REVERSION**  
$16,113.00

*This audit exception has been posted to decrease the college’s available budget by $16,113.00. This audit exception reversion must be posted to the college budget prior to submitting next month’s files.*