June 5, 2014

Dr. Stephen C. Scott, President
Wake Technical Community College
9101 Fayetteville Road
Raleigh, NC 27603-5696

Dear Dr. Scott:

Enclosed is the final audit report of a finding from the education program audit conducted fiscal year 2013-2014 at Wake Technical Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated June 2, 2014, did not provide additional information to negate the findings. Therefore a Continuing Education final audit exception with three findings and a Curriculum 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: Jim W. Perry, Chair, Wake 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 Wake Technical College 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 Wake 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.

FINDINGS SUMMARY

Base on the site review, a final Continuing Education audit exception with three findings and a Curriculum concern with one finding were identified and are discussed on the pages that follow.
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 classes listed in Attachment A 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.”

Finding Two: In a review of Continuing Education records, it was found that for the regularly scheduled class listed in Attachment A that class hours were reported for budget/FTE when the class was cancelled.

Reference

The reference as noted under Finding One also applies to this finding.

Finding Three: In a review of Continuing Education records, it was found that for the non-regularly scheduled class listed in Attachment A the number of contact class hours was miscalculated.

Reference

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

(b) Non-Regularly Scheduled Classes.

(1) Definition of Non-Regularly Scheduled Class. 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 Subparagraph (b)(6) of this Rule for definition of learning laboratory);
(C) A self-paced class where the student progresses through the instructional materials at the student's own pace, and can complete the courses 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 a 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 (a)(1) of this Rule, is considered to be a non-regularly scheduled class for reporting purposes. Note classes defined as non-traditional (see Paragraph (c) of this Rule) which are identified as a separate student hour reporting category are not subject to the provisions in Paragraph (b) of this Rule.

(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 registration fees, or obtained a waiver as defined in Paragraph (a) of Rule 1E SBCCC 400.99; and
   (B) Attended one or more classes.

(3) Definition of Student Contact Hour. A student contact hour is one hour of student attendance in a class for which the student is in membership as defined in Subparagraph (b)(2) of this Rule. Sixty minutes shall constitute an hour.

(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. Sixty minutes shall constitute an hour. Student contact hours for these classes are the sum of all the hours of actual student attendance in a class in a given semester.

(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 exception is taken to 908 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.
Wake Technical Community College
FY 2013-14 Audit Findings
Page 5

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 Fall Semester 2012 and make any necessary adjustments of class hours reported as allowed per the three semester grace period.

**Total Continuing Education Hours Cited: 908**

**CURRICULUM CONCERN**

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

**Finding:** In conducting the review of Curriculum attendance records, a class reviewed from Spring Semester 2013 (CAT 225 230 CT Clinical Practicum) met the definition of a non-regularly scheduled class, but class hours were reported as a regularly scheduled class. Students participating in the CT Clinical Practicum were assigned to various locations on various days and times. Class clinicals are to be reported as non-regularly scheduled when students enrolled do not meet at the same time and location. Clinical hours were calculated by college staff as 50-minutes per hour, but for non-regularly scheduled classes, time is recorded as 60-minute hours. Documentation provided by college staff indicated the actual time of attendance in class as 208 hours per student; however, 240 hours were reported for budget/FTE for each of the 12 students enrolled which calculated to 384 hours over-reported. The audit was conducted after the three semester grace period for adjusting hours over- or under-reported, and therefore, no action is required by college staff outside of the recommendation listed below.

**Reference**

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

(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: College staff should take the necessary steps to familiarize themselves with the aforementioned reference 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 Wood
AUDIT DATES: March 20 – April 3, 2014
## ATTACHMENT I

Wake 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>
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<td>Main Campus</td>
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<td>3</td>
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<td>AST 111</td>
<td>4111</td>
<td>D. Wetli</td>
<td>Main Campus</td>
<td>4/03/14</td>
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<td>13</td>
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<tr>
<td>BIO 110</td>
<td>0004</td>
<td>L. Frear</td>
<td>Online</td>
<td>4/07/14</td>
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<td>16</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>ANS 3011</td>
<td>122824</td>
<td>R. Bethea</td>
<td>Ed2Go</td>
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<td>2</td>
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<tr>
<td>BSP 2000</td>
<td>118027</td>
<td>M. Yanez</td>
<td>Hispanic Family Center</td>
<td>3/20/14</td>
<td>17</td>
<td>7</td>
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<tr>
<td>CAS 3120CX2</td>
<td>117281</td>
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<td>Millpond Campus</td>
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<td>Central Prison</td>
<td>4/10/14</td>
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*1 – Class moved to Main Campus.  
*2 – Class finished a week early, so no class in session at the time of the class visit.

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:**
Wake Technical Community College

### CONTINUING EDUCATION HOURS EXPECTED

<table>
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<tr>
<th>Continuing Education Finding</th>
<th>Course #</th>
<th>Semester</th>
<th>Original Hours Reported</th>
<th>Tier 2 Over-reported Hours (to be Subtracted)</th>
<th>Tier 2 Under-reported Hours (to be Added)</th>
<th>Tier 3 Over-reported Hours (to be Subtracted)</th>
<th>Tier 3 Under-reported Hours (to be Added)</th>
<th>Tier 2 Total Hours Expected</th>
<th>Tier 3 Total Hours Expected</th>
<th>Correct Hours for Reporting</th>
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<td><strong>One</strong></td>
<td>COD 3105 088</td>
<td>Spring 2012</td>
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<td>58.00</td>
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<td>58.00</td>
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<td>AUT 3137 782</td>
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<td>10.00</td>
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<td>2,492.00</td>
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**TOTAL CONTINUING EDUCATION HOURS EXPECTED:** 908.00
ATTACHMENT B

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

CONTINUING EDUCATION: A total of 908 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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TOTAL CONTINUING EDUCATION TIER 2 AND 3 $6,328.00

TOTAL FTE REVERSION *

<p>| | |</p>
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<tr>
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<tbody>
<tr>
<td>Curriculum Reversion</td>
<td>$.00</td>
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<tr>
<td>Continuing Education Reversion</td>
<td>$6,328.00</td>
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<tr>
<td>Literacy (Basic Skills) Reversion</td>
<td>.00</td>
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TOTAL REVERSION $6,328.00

*This audit exception has been posted to decrease the college’s available budget by $6,328.00. This audit exception reversion must be posted to the college budget prior to submitting next month’s files.