NORTH CAROLINA COMMUNITY COLLEGE SYSTEM  
Dr. R. Scott Ralls, President  
June 27, 2013  

Dr. Kerry L. Youngblood, President  
Carteret Community College  
3505 Arendell Street  
Morehead City, NC 28557  

Dear Dr. Youngblood:  

Enclosed is the final report of audit findings from the fiscal year 2012-2013 education program audit conducted at Carteret Community College pursuant to North Carolina General Statute 115D-5(m). The college response dated June 20, 2013, was received, and the information provided therein was reviewed and incorporated into the final audit report. A Curriculum exception with three findings and a Continuing Education concern with three findings remain identified for the sample of records pulled from the Institution Class Reports (ICR), programs, policies, and procedures 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 of Operations,  
Chief Financial Officer  

Enclosure  

c: Mitchell Mangum, Chair, Carteret CC Board of Trustees  
Elizabeth C. Self, Executive Director, NCCCS Audit Services  
ec: Beth Wood, NC State Auditor
North Carolina Community College System

Final Audit Report for Carteret Community College
Audit Conducted: Fiscal Year 2012-2013
Records Reviewed: Spring Semester 2011-Spring Semester 2012

AUDIT METHODOLOGY

An education program audit was conducted at Carteret 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 2011 through Spring Semester 2012. 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 2012-2013 fiscal year are outlined in Numbered Memorandum CC12-021, Program Audit Procedures FY 2012-2013. The scope of the program audit reviews include, but are not limited to, the major components noted in CC12-021. Based on the various audit reviews conducted as outlined in CC12-021, 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 to date are listed in the Summary of Class Visits Conducted FY 2012-2013, Attachment I.

FINDINGS SUMMARY

Based on the site review, a Curriculum final exception with three findings and a Continuing Education concern with three findings were noted and are discussed on the pages that follow.
FINAL AUDIT FINDINGS

CURRICULUM EXCEPTION

In a review of the Curriculum 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 Curriculum records, it was found that student membership hours
were reported for budget/FTE for students enrolled in distance learning courses (non-traditional
classes) who were not in attendance at the 10 percent point of the class.

Reference

23 SBCCC 02D .0323(e)(2) Reporting of Student Hours in Membership for Curriculum Classes,
states, in pertinent part, “Classes Identified as Curriculum Non-Traditional Delivery. (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.”

Finding Two: In conducting the Curriculum Criminal Justice Certification Program Review, it
was found that class hours were reported for budget/FTE for a student who had completed the
process for withdrawing from the class prior to the census date.

References

23 SBCCC 02D .0202(a)(7)(C) Tuition and Fees for Curriculum Programs, states, in pertinent
part, “Tuition. (7) Tuition Waivers:...(C) Basic Law Enforcement Training Program (BLET) for
law enforcement officers. All law enforcement officers employed by a municipal, county, state,
or federal law enforcement agency when taking courses in a state-mandated BLET training
program, are exempt from tuition payment. Also, trainees shall be exempt from BLET class
tuition if a letter of sponsorship from a state, county, or municipal law enforcement agency is on
file at the college.”

23 SBCCC 02D .0323(b)(2),(5) Reporting of Student Hours in Membership for Curriculum
Classes, states, “Regularly Scheduled Classes. (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...(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...”

**Finding Three:** In conducting the Curriculum Skills Lab Review, students’ schedules from Fall Semester 2011 and Spring Semester 2012 were reviewed, and it was found that student “tutoring” hours were reported for budget/FTE during their scheduled class hours.

**Reference**

23 SBCCC 02D .0323(d) Reporting of Student Hours in Membership for Curriculum Classes states, in pertinent part, “Skills Laboratory or Computer Tutorial Laboratory. Individualized instructional laboratories are similar to learning laboratories (see 23 SBCCC 02D .0324(b)(6)) except the participants are Curriculum students. Skills labs or computer tutorial labs are remedial or developmental in nature and intended for students who are experiencing academic difficulty in a particular Curriculum course. A skills laboratory instructor shall be qualified in the single subject area of the skills laboratory. A computer tutorial laboratory coordinator need not be qualified in any of the subject area(s) provided in a computer tutorial laboratory. Student contact hours may be reported for budget/FTE when students are required by their instructor to attend either of the laboratories for remedial or developmental work and when the skills laboratory instructors or computer tutorial coordinators are paid with Curriculum instructional funds.

(1) Documentation of instructor referral shall be maintained for auditing purposes. Maintain documentation until released by audit.
(2) Homework assignments shall not be reported for budget/FTE. (See 23 SBCCC 2D.0325(a)).
(3) Calculation of Student Contact Hours for Skills Laboratory or Computer Tutorial Laboratory. For these classes, actual time of class attendance shall be reported; 60 minutes shall constitute an hour. Student hours generated for these types of classes are the sum of all the hours of actual student attendance in a class in a given semester.”

**Recommendation:** A final audit exception is taken to 1,336 class hours reported for budget/FTE for Curriculum classes which did not meet reporting criteria outlined in Title 23 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.

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

**Total Curriculum Hours Cited:** 1,336
CONTINUING EDUCATION CONCERN

In a review of the Continuing Education records, an area of concern was identified with the following findings.

Finding One: In a review of Continuing Education records, it was found that the instructor of record assigned to a class reviewed did not sign the official attendance record verifying its accuracy.

Reference

23 SBCCC 02D .0324(a)(5) Reporting of Student Hours in Membership for Continuing Education Classes, states, in pertinent part, “Regularly Scheduled Classes. (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 and Disposition Schedule for Institutions in the Community College System.”

Finding Two: In conducting the review of Continuing Education records, it was found that more hours per student were reported than the number of class hours scheduled and offered in official college documents.

Reference

23 NCAC 02D .0324(a)(3) Reporting of Student Hours in Membership for Continuing Education Classes, states, in pertinent part, “Regularly Scheduled Classes. (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.”

Finding Three: In conducting the review of Continuing Education records, it was found that class membership hours were reported for budget/FTE for students enrolled in a distance learning course (non-traditional class) when there was no documentation provided showing attendance in the virtual classroom at the 10% point.

Reference

23 SBCC 02D .0324(c)(1-2) Reporting of Student Hours in Membership for Continuing Education Classes, states, in pertinent part, Classes Identified as Extension 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 a submission of examination is the basis for the determination of class membership at the 10 percent point of the class. Student membership hours in such classes shall be calculated by multiplying the number of students in membership, as defined in the prior sentence, times the number of instructional hours delivered which are determined as follows: (A) Determine the number of hours of instruction delivered via non-traditional delivery; and (B) Add the number of hours of class meetings.”

**Recommendation:** College 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.

Staff should review all records reported for student membership hours for budget/FTE since Fall Semester 2011 and make any necessary adjustments.

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

SUBMITTED BY: Terry McCauley
AUDIT DATES: April 19-May 6, 2013
ATTACHMENT I

CARTERET COMMUNITY COLLEGE
Summary of Class Visits Conducted FY 2012-2013

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>
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<td>BIO 163</td>
<td>001</td>
<td>D. Mathisen</td>
<td>Main Campus</td>
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<td>24</td>
<td>16</td>
<td></td>
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<tr>
<td>ENG 101</td>
<td>001</td>
<td>V. Reels</td>
<td>Main Campus</td>
<td>04/19/13</td>
<td>19</td>
<td>14</td>
<td></td>
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<tr>
<td>PED 110</td>
<td>200</td>
<td>G. Tyndall</td>
<td>Main Campus</td>
<td>04/19/13</td>
<td>19</td>
<td>14</td>
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Total Curriculum Class Visits/Program Reviews to Date: 3

CONTINUING EDUCATION AND LITERACY

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<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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</thead>
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<td>Online</td>
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<td>1</td>
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<td>AUT 3137</td>
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<td>NC MARTEC</td>
<td>05/01/13</td>
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<td>1</td>
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<td>BSP 2000</td>
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<td>D. Glasgow</td>
<td>Carteret Correctional</td>
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<td>-</td>
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<td>23293</td>
<td>L. Ward</td>
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<td>1</td>
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<td>20</td>
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</table>

*1 The class did not meet the day of the visit, as there was a graduation earlier in the day.
*2 The class meeting was changed to 12:00 p.m. because the class is field sobriety. College staff was aware.
*3 The class met as noted on the schedule provided by college staff the first day only.

Total Continuing Education Class and Literacy Visits/Program Reviews to Date: 10
## SUMMARY OF AUDIT FINDINGS FOR EDUCATION PROGRAM AUDIT

**ATTACHMENT A**  
Audit FY: 2012-2013  
**COLLEGE:**  
CARTERET COMMUNITY COLLEGE

### CURRICULUM HOURS EXCEPTED - FINAL

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<tr>
<th>Curriculum Finding</th>
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<th>Original Hours Reported</th>
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<th>Tier 1 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>
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<th>Tier 2 Total Hours Excepted</th>
<th>Correct Hours for Reporting</th>
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<td>PSY 241 102</td>
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<td>initiated withdrawal from the class prior to the 10% point of the class.</td>
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<td>8.00</td>
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<tr>
<td><strong>Totals</strong></td>
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<td>21,290.00</td>
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**TOTAL CURRICULUM HOURS EXCEPTED:** 1,336.00
ATTACHMENT B

CARTERET COMMUNITY COLLEGE
FTE Reversion Summary
Audit Conducted: FY 2012-2013

**CURRICULUM:** A total of 1,336.00 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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</thead>
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<td>.19</td>
<td>$5,377.84</td>
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<td>2</td>
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**TOTAL CURRICULUM TIER 1 AND 2** $12,869.00

**TOTAL FTE REVERSION** *

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Curriculum Reversion</td>
<td>$12,869.00</td>
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<tr>
<td>Continuing Education Reversion</td>
<td>0.00</td>
</tr>
<tr>
<td>Literacy (Basic Skills) Reversion</td>
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<tr>
<td><strong>TOTAL REVERSION</strong></td>
<td><strong>$12,869.00</strong></td>
</tr>
</tbody>
</table>

*This audit exception has been posted to decrease the college’s available budget by $12,869.00. This audit exception reversion must be posted to the college budget prior to submitting the files for June 2013.