

**MINUTES**  
**State Board of Community Colleges**  
**ACCOUNTABILITY AND AUDIT COMMITTEE**  
**Thursday, August 17, 2017 – 3:00 p.m.**

**ACCOUNTABILITY AND AUDIT COMMITTEE MEMBERS PRESENT:**

Lisa Estep, Chair	Breeden Blackwell	Bill McBrayer
Ann Whitford, Vice-Chair	Todd Johnson	Burr Sullivan

Members absent: Lynn Raye and Clark Twiddy

**OTHERS MEMBERS IN ATTENDANCE:**

William Holder	Jim Rose	Bob Stephens
Samuel Powell	Scott Shook	

**OTHERS IN ATTENDANCE:**

Jennifer Haygood	Mary Shuping	Bill Ingram (Durham TCC)
Lisa Chapman	Anne Bacon	David Johnson (Johnston CC)
Elizabeth Grovenstein	Monty Hickman	Lyn Austin (NCACCT)
Bryan Jenkins	Libby Self	Linda Suggs (Gates FND)
Shanté Martin	Katherine Tamer	

**WELCOME AND ETHICS STATEMENT**

Ms. Estep called the Accountability and Audit Committee meeting to order at 3:13 p.m. in the Dr. W. Dallas Herring State Board Room and read the Ethics Awareness and Conflict of Interest Statement and asked if there were any known conflicts. None were noted.

**ROLL CALL**

Bryan Jenkins took the roll of the Accountability and Audit Committee members.

**APPROVAL OF THE AGENDA**

Ms. Estep requested a motion to approve the August 17, 2017 meeting agenda. Dr. Blackwell moved to approve, Mr. Sullivan seconded, and the agenda was approved by the committee via voice vote.

**APPROVAL OF THE MINUTES**

Ms. Estep requested a motion to approve the July 20, 2017 minutes. Dr. Blackwell moved to approve, Mr. McBrayer seconded, and the minutes were approved by the committee via voice vote.

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**FOR INFORMATION**

**SBCC Code Report – August 2017 (Attachment AUD 01)**

Ms. Haygood reviewed the SBCC Code Report for the committee.

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**EAGLE Update (Attachment AUD 02)**

Mr. Jenkins provided an overview of EAGLE for FY 2016-17 for the committee. The required internal control certification was signed and submitted to OSC on July 5, 2017.

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NC Community Colleges Finance Oversight Monitoring Report Summary (Attachment AUD 03)

Mr. Jenkins reviewed the Finance Oversight Monitoring Report with the committee. The report stated the NC Community College System has controls and systems in place to adequately administer the Workforce Innovation and Opportunity Act (WIOA) program.

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Special Circumstance Compliance Review Report – Cleveland Community College (Attachment AUD 04)

Ms. Haygood and Mr. Jenkins reviewed the Special Circumstances Review for Cleveland Community College. The review focused on the college's Career and College Promise (CCP) program. The goal was to verify that students enrolled in CCP classes with hours reported for budget FTE met eligibility requirements for the program and a fee waiver.

The instructor who filed the complaint felt that the college was just chasing FTE. Some of the students were not academically prepared to be in the courses.

The college conducted an internal review prior to the System Office asking the Director of Accountability and Compliance Training, Ms. Libby Self, to go to the college to conduct a review. The conclusion was:

- There were no instructional hours inappropriately reported for FTE.
- All instructional hours reported were delivered.
- The way the program was being implemented was not consistent with the overall intent of the program. A student should be placed in a pathway and take courses in that pathway to obtain a credential. At Cleveland CC, the student would choose a course he/she wanted to take and the pathway was changed accordingly to accommodate the course. The credits would not add up to anything meaningful.

Feedback has been provided to the college and offered opportunities for professional development to staff. Staff has spoken not only with the local college but also the local school superintendent who is very open to learning more about the pathways. The BOT is receptive to the recommendations. Ms. Haygood shared that Senator Wes Westmoreland has just been elected as Board Chairman at Cleveland. Chairman Westmoreland was not able to attend the meeting, however shared with Ms. Haygood that he would be willing to give an update at a future meeting.

Ms. Self stated the documentation was quite difficult to review. Ms. Haygood shared it also causes problems with coding.

Ms. Estep shared her thought that Cleveland Community College is probably not the only college having challenges. She shared it may be beneficial to determined established best practices and share across the System.

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President Ingram shared the CCP practices at Durham Technical Community College. Systems in place to encourage students to focus on pathways, not just courses. Durham TCC has a process of approval before a student can change their pathway.

Ms. Haygood stated training is conducted for college and public-school staff in conjunction with Department of Public Instruction (DPI). Information is also shared at conferences such as the recent Performance Partnership Summit. One of the main purposes of the conferences is to share best practices. The Committee discussed the benefit of streamlining the process and using it across the system. Streamlining the process may increase the number of successful students completing the program.

Mr. T. Johnson asked about hardships between colleges and school systems. Ms. Haygood shared the System Office has signed as a participant on grant application to partner with UNC-Greensboro and Rand Corporation to utilize the SERVE Center to do evaluation and study of the Career and College Promise program to look at student outcomes and how the program is supporting high school students.

Dr. Chapman stated we do want to make sure the system is doing the right thing for the student. It is important to have good advising for students. The Student Success center is going to be a good resource. Dr. Chapman shared how the information is shared across the system and how they are utilizing the Success Center.

Mr. T. Johnson stated the strong communication could be very beneficial in preventing misunderstanding if the General Assembly makes changes to the program again.

Mr. Sullivan for a follow up report from Cleveland Community College in a couple of months.

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**For Future Action**

**Accountability and Audit Committee Charter (Attachment AUD 05)**

Mr. Jenkins stated the Accountability and Audit Committee was the first to approve a committee charter. It was decided that all the State Board committees would establish charters.

Mr. Jenkins provided a brief overview of the charter. If there are any suggested modifications or edits, please let staff know. Ms. Whitford did suggest that the word “compliance” be utilized instead of “audit” in several places.

This will be presented in September 2017 for approval.

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Internal Audit Charter (Attachment AUD 06)

Mr. Jenkins shared the auditor who conducted the Quality Assurance Review was happy to learn the State Board approves the Internal Audit Charter annually. Mr. Jenkins provided a brief overview of the charter. The standards require a few things be in the charter.

This will be presented in September 2017 for approval.

Ms. Haygood shared one of the observations of the Quality Assurance Review was there are not adequate resource devoted to Internal Audit. A position has been repurposed to hire a full time Internal Auditor to serve under Mr. Jenkins' supervision.

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**For Action**

Initiation of the Rulemaking Process to Adopt 1G SBCCC Subchapters 300 – “Reserved for Future Codification” and 400 – “FTE Reporting Accountability” (Attachment AUD 07)

Ms. Haygood stated this item will codify the rules governing the Compliance Review function. Ms. Haygood reviewed the two minor changes made since the rule was presented for Future Action in July.

Mr. McBrayer moved, and Mr. Sullivan seconded. The Committee approved Initiation of the Rulemaking Process to Adopt 1G SBCCC Subchapters 300 – “Reserved for Future Codification” and 400 – “FTE Reporting Accountability” as presented.

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**NEW BUSINESS**

Ms. Estep inquired about the funds allotted for Compliance Services Expertise on the State Board Reserve Report (FC 02) and the reason all funds were not expended. Mr. Jenkins explained the new sampling method was developed with less work than originally predicted. Mr. Isley was recommended to the System by State Auditor Beth Wood.

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**ADJOURNMENT**

Mr. Sullivan motioned to adjourn, seconded by Mr. McBrayer. The meeting was adjourned at 4:00 p.m. via voice vote.

Respectfully submitted,  
Sondra Jarvis