

MINUTES
State Board of Community Colleges
ACCOUNTABILITY AND AUDIT COMMITTEE
February 14, 2019

ACCOUNTABILITY AND AUDIT COMMITTEE MEMBERS PRESENT

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| Lisa Estep, Chair | Breeden Blackwell | Clark Twiddy |
| Ann Whitford, Vice-Chair | Bill McBrayer | |

Members absent: William Holder, Sam Powell, and Jerry Vaughan

OTHER BOARD MEMBERS PRESENT:

Bob Stephens

OTHERS IN ATTENDANCE

| | | |
|-----------------------|---------------|-------------------------|
| Peter Hans | Bryan Jenkins | Seth Riggins |
| Jennifer Haygood | Shanté Martin | Linda Suggs (Gates Fnd) |
| Lisa Chapman | Mary Shuping | |
| Elizabeth Grovenstein | Sondra Jarvis | |

CALL TO ORDER

Ms. Estep called the Accountability and Audit Committee meeting to order at 11:03 a.m. in the A.W. North Carolina Conference Room of the Caswell Building in Raleigh.

ROLL CALL

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

ETHICS STATEMENT

Mr. Jenkins read the Ethics Awareness and Conflict of Interest Statement. No conflicts noted.

APPROVAL OF THE AGENDA

Ms. Estep requested a motion to approve the February 14, 2019 meeting agenda. Dr. Blackwell moved, seconded by Mr. McBrayer, and the agenda was approved by the Committee via voice vote.

APPROVAL OF THE MINUTES

Ms. Estep requested a motion to approve the October 18, 2018 meeting minutes. Dr. Blackwell moved, seconded by Mr. Twiddy, and the minutes were approved by the Committee via voice vote.

FOR INFORMATION

Accreditation Actions taken by the SACSCOC Board of Trustees - Dec 2018 (Attachment AUD 01)

Mr. Jenkins stated that Dr. Chapman has provided a copy of SACS Principals for reference but asked her to provide the details on the accreditation actions taken in relation to North Carolina community colleges at the December 2018 SACSCOC meeting.

Dr. Chapman provided a general overview which included the levels of sanctions and the appeals process. One of the focuses of SACSCOC has been governance, specifically the need for a clear separation of local board and administration of the institution to assure there is no undo political influence. Institutions are

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reaccredited every ten (10) years with a fifth-year enhancement plan during the cycle. If a concern is brought to SACSCOC's attention, it investigates no matter the reporting cycle.

Roanoke-Chowan Community College received a letter from SACSCOC stating it is on warning for six months due to some concerns. A warning is the first step in trying to correct a problem at an institution and the college is expected to provide sufficient documentation responding to questions from the SACSCOC investigation team. A subsequent visit is made to assure the proposed corrective actions are being implemented. Most institutions move quickly and move from warning to good standing. There is no loss of funding and during warning. If the corrections are not made, the warning can be extended, and the institution would be moved to probation. During probation the institution can still work to rectify concerns and serve students. Dr. Chapman stated she can recall a handful of colleges within the system over the last fifteen years that may have been on warning for one reason or another. Many times, it is quickly resolved. An institution going on probation does not automatically mean it is problematic. To determine the issue, staff needs to drill down into the report to identify and address the concerns in the report.

Ms. Whitford asked for the floor, Ms. Estep agreed. Ms. Whitford stated she appreciated the overview but has specific questions per the letter from December 9, 2018. In the section titled, "What does a Warning mean?" the letter states that the maximum time an institution can be put on warning is two years. The next sentence states that in June of 2019, Roanoke-Chowan Community College will have been on Warning for six (6) months. Then the next section "Why was Roanoke-Chowan Community College placed on Warning?", she wanted to confirm the items listed are the listing of concerns by SACSCOC. Is this the first time that Roanoke-Chowan Community College has been put on warning or probation? Senate Bill 420 states a letter will be sent by the State Board when there are problems that are brought to the Board's attention. Has that been done? Mr. Jenkins asked President Hans to address details of actions which have been taken.

President Hans stated concerns about Roanoke-Chowan were part of a letter he sent to the Board on January 15, 2019. The full Board was briefed on the situation at the State Board meeting held on January 18, 2019 as part of the President's Report. On January 24, 2019, President Hans visited Roanoke-Chowan and met with President Elliott, trustees, and students. During the meeting a plan was developed for the response to SACS. President Hans stated he is confident the people are in place to submit a strong response. Staff will continue to monitor the progress.

Ms. Martin stated the SB420 notice requirement has not been implicated specifically. If SACS accreditation was at risk, it would have caused a notice to go out. Ms. Whitford asked at what point a letter is warranted? At what point is it too late? President Hans stated a decision to push back with SACS may be such a time.

Ms. Estep asked President Hans to share details of how the Trustees Association has addressed the issue at Roanoke-Chowan. President Hans shared NCACCT is acutely aware of the challenges. NCACCT has engaged and offered support. Ms. Estep asked if there will be an update at the March meeting? President Hans stated the response should be in writing in March, but not sure if in time for March Board meeting.

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Ms. Estep asked for an explanation about the substantive committee change review (referenced in the report). Dr. Chapman said that she has served on a substantive change committee. If an institution decides to offer 50% greater of one program, it is a substantive change and is monitored. An example for our colleges; right now, if an institution is offering 50% or more of a program in a high school setting, the high school becomes an additional site and must be noticed to SACS six months prior to offering program on the site. Alternately, if there are question after documentation is provided, then a site visit and interviews are set up. Committee develops a report to state whether the program is ready, or it needs to have more work. The challenges that our current colleges see is they are offering the general education courses through distance learning. The high schools are requiring one block of the day to work on the online class to assure that students have the resources and focus. Since the high school is requiring the students to be in a certain room at a certain time, SACS see that as a substantive change. Ms. Estep asked how the conversation is going. Dr. Chapman stated she has followed up with one of the directors but has seen a lot of traction yet.

Hurricane Matthew Funds Review Memo (Attachment AUD 02)

Mr. Jenkins stated that a few months ago, received a call from Ms. Baldwin with the Office of Internal Audit. System Office was tasked with reviewing funds related to Hurricane Matthew. Mr. Jenkins was asked to lead the audit for our system. Mr. Chris Sparks worked with Ms. Grovenstein and her team to review the allocation and appropriation method and ensure the each was followed. Mr. Sparks tested the process and there were no findings and issues noted.

Mr. McBrayer stated it is great that an outside organization holds the SO staff in high esteem. Ms. Estep agreed.

Ms. Whitford said that being from Carteret County was surprised not to find the college on the list. Mr. Jenkins stated this report is related to Hurricane Matthew, not Hurricane Florence which will be reported in the future.

ADJOURNMENT

Mr. McBrayer motioned to adjourn, seconded by Dr. Blackwell. The meeting was adjourned at 11:53 a.m. via voice vote.

Respectfully submitted,
Bryan Jenkins