



COMPLIANCE SERVICES
ANNUAL REPORT TO STATE BOARD
FISCAL YEAR 2015-2016

**North Carolina Community College System
Executive Division
Compliance Services
200 West Jones Street
Raleigh, North Carolina 27603**

August 19, 2016

**North Carolina Community College System Compliance Services
Annual Report to the State Board of Community Colleges
Compliance Reviews Conducted Fiscal Year 2015-2016**

Based on S.L. 2015-241 (H97) ratified September 18, 2015, reviews are conducted bi-annually by the North Carolina Community College System(NCCCS) Compliance Services staff. Data included in this report shows compliance reviews were conducted at 26 community colleges FY 2015-2016 and the results of those reviews. Community colleges which were not reviewed FY 2015-2016 will be reviewed FY 2016-2017. Final compliance reports with a material finding were written based on the colleges' responses which concurred with the findings.

Compliance reviews were conducted at the following community colleges FY 2015-2016.

Carteret Community College
Central Carolina Community College
Central Piedmont Community College
Coastal Carolina Community College
Craven Community College
Edgecombe Community College
Forsyth Technical Community College
Guilford Technical Community College
Haywood Community College
Isothermal Community College
Lenoir Community College
Montgomery Community College
Nash Community College
Randolph Community College
Roanoke-Chowan Community College
Robeson Community College
Rockingham Community College
Rowan-Cabarrus Community College
Sampson Community College
Sandhills Community College
Southwestern Community College
Stanly Community College
Surry Community College
Tri-County Community College
Western Piedmont Community College
Wilkes Community College

Final reports for all the colleges with compliance reviews conducted FY 2015-2016 are available on the NCCCS web site at the following URL:

<http://www.nccommunitycolleges.edu/finance-operations/audit-services/reports>

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Compliance reviews are conducted bi-annually for colleges within the North Carolina Community College System by the NCCCS Compliance Services staff. There were twenty-six compliance reviews conducted FY 2015-2016. The results of these reviews are noted below.

- Six colleges with no material findings and no risk areas noted for inclusion in a coaching letter resulting in a clean final compliance report.
- Seventeen colleges with no material findings resulting in a clean final compliance report and risk areas noted in a coaching letter.
- One college with a minimal material finding totaling 1% of the total continuing education hours reported for budget FTE with no reversion of funds and risk areas noted in a coaching letter.*
- Two colleges with a material finding totaling 5% of the total continuing education hours for Edgecombe CC and basic skills/literacy for Tri-County CC reported for budget FTE resulting in a reversion of funds. Those colleges with material findings were sent a preliminary compliance report and allowed 30 days to respond to the report.*

No Material Findings – Clean Report No Risk Areas – No Coaching Letter	No Material Findings – Clean Report Risk Areas – Coaching Letter	Minimal Material Finding (1%) Risk Areas – Coaching Letter	Material Finding (5%) Risk Areas – Coaching Letter
Haywood Community College	Carteret Community College	Wilkes Community College	Edgecombe Community College
Isothermal Community College	Coastal Carolina Community College		Tri-County Community College
Montgomery Community College	Central Carolina Community College		
Randolph Community College	Central Piedmont Community College		
Rockingham Community College	Craven Community College		
Western Piedmont Community College	Forsyth Technical Community College		
	Guilford Technical Community College		
	Lenoir Community College		
	Nash Community College		
	Roanoke-Chowan Community College		
	Robeson Community College		
	Rowan-Cabarrus Community College		
	Sampson Community College		
	Sandhills Community College		
	Stanly Community College		
	Surry Community College		
	Southwestern Community College		

*Reference Numbered Memorandum CC15-036 Compliance Services Update and Review Procedures.

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The following summary information shows the results of FY 2015-2016 compliance reviews conducted by North Carolina Community College System Compliance Services staff. Documentation reviewed during these reviews was for the reporting period FY 2014-2015.

Results of FY 2015-2016 Compliance Reviews

	FY 2015-2016	Percentage*	FY 2014-2015	Percentage*
Reviews completed	26	90%	58	100%
Colleges with neither material findings nor risk areas. (Clean reports)	6	23%	38	66%
Colleges with material findings that resulted in the reversion of FTE	2	.08%	2	3%
Colleges with coaching letters with clean reports	17	65%	13	22%
Colleges with special reports	1	4%	0	0

*Since S.L. 2015-241 (H97) ratified September 18, 2015, requires bi-annual compliance reviews for North Carolina Community Colleges, the percentages noted above are calculated based on a required completion of 29 community colleges FY 2015-2016. It should be noted that next year's compliance reviews will include the colleges listed on page three with material findings.

Reversions for Compliance Reviews Conducted FY 2015-2016*					
Curriculum FTE Reversions	Occupational Extension/ Continuing Education FTE Reversions	Literacy FTE Reversions	Total FTE Reversions Billed	Total FTE Reversions Paid	Reversions Balance Due
\$0.00	\$66,448.00	\$6,477.00	\$72,925.00	\$66,448.00	\$6,477.00

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<p>To Calculate an FTE Reversion: Divide material finding hours by the hours equaling one FTE = Number of FTE Requiring Reverted Funds Multiply the Applicable Tier Rate for the material finding hours by the Number of FTE Requiring Reverted Funds = Reversion Due</p>			
	Curriculum	Continuing Education/ Occupational Extension	Basic Skills/Literacy
Hours Equaling One FTE	512	688	688
Tier Rate Per FTE			
Tier 1A			
Tier 1B			
Tier 2		\$66,447.76	\$6,477.00
Tier 3			

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