



Quarterly SBCC Accountability Update

SBCC Accountability and Audit Committee
December 3, 2015



Compliance Services

- **2015 Appropriations Act**
 - Restore recurring funds for Compliance Services (formerly Audit Services)
 - Amends G.S. 115D to incorporate statutory changes recommended by the Program Audit Study Committee
 - Changes frequency
 - Purpose: Accuracy of data used for allocation of funds and charging/waiving tuition and registration fees consistent with law

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2

NC COMMUNITY COLLEGES
CREATING SUCCESS

What are We Trying to Accomplish?


- **A revised accountability system that:**
 - Promotes the credibility of our System’s formula budget requests to the General Assembly
 - Ensures the fair allocation of State resources among the 58 institutions
 - Supports the System Office and colleges working in partnership to productively identify ways to improve compliance

October 26, 2015 3

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Core Principles

Integrity Fairness Consistency



October 26, 2015 4



What's New

- **New name...new approach that will continue to evolve over the next few years**
- **Organizational changes and new roles**
- **Change to biannual reviews, except in cases of material findings**
- **Compliance reviews conducted on-site**
- **Suspend financial reversions for error-related findings, except for excessive circumstances until there is a clear definition of materiality**
- **Opportunities for communication and coaching on documentation expectations**

October 26, 2015

5



What's on the Horizon

- **Simplified and clear State Board rules.**
 - Phase 1
 - Phase 2
- **Revised accountability process.**
- **On-going training and coaching for colleges.**

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6



Recent Activities

- **Memo CC15-036: Compliance Services Update and 2015-16 Procedures**
- **Memo CC15-037: Public Safety Waivers: Compliance Elements for Proof of Eligibility**
- **Memo CC15-038: Tuition and Registration Fee Waiver Reference Guide – FY 2015-17**
- **Completed initial compliance reviews**
- **Developed draft of near-term FTE rule changes**

October 26, 2015

7



Winter/Spring Activities

- **Continue compliance reviews**
- **Vet and adopt Phase 1 FTE rule changes**
- **Continue development of Phase 2 FTE rule changes**
- **Establish Compliance Review Advisory Committee**
- **Contract for external expertise on sampling and materiality**

December 3, 2015

8