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
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

Core Principles

Integrity    Fairness    Consistency
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

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.
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

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