



**EDUCATION PROGRAM AUDIT
SUMMARY REPORT
FISCAL YEAR 2014-2015**

**North Carolina Community College System
Finance and Operations Division
Audit Services
200 West Jones Street
Raleigh, North Carolina 27603**

**North Carolina Community College System Audit Services
Report to the State Board of Community Colleges
Annual Summary of Education Program Audits Conducted Fiscal Year 2014-2015**

Each year an education program audit is conducted at each of the 58 community colleges by NCCCS Audit Services staff. The results of the audits conducted FY 2014-2015 show that 38 colleges had no exceptions or concerns cited, and 20 colleges were cited with either exceptions, concerns, or both. Those colleges with exceptions or concerns were provided with a preliminary audit report and allowed 30 days to respond to the report. The final audit reports were written based on the colleges' responses which either concurred with the findings or provided additional documentation for review to mitigate the finding(s). Final audit reports for the following colleges included audit review findings:

- Asheville-Buncombe Technical Community College
- Beaufort County Community College
- Brunswick Community College
- Carteret Community College
- Cleveland Community College
- Craven Community College
- Edgecombe Community College
- Fayetteville Technical Community College
- Forsyth Technical Community College
- Gaston College
- Halifax Community College
- Haywood Community College
- Montgomery Community College
- Nash Community College
- Pamlico Community College
- Roanoke-Chowan Community College
- Robeson Community College
- Southwestern Community College
- Wake Technical Community College
- Wayne Community College

Final reports for all colleges are available on the NCCCS web site at:

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

**North Carolina Community College System
Annual Summary of Education Program Audits for Fiscal Year 2014-2015**

The following summary information is the result of findings for education program audits conducted by the North Carolina Community College System Audit Services staff during FY 2014-2015. Documentation reviewed during these audits was for the period beginning Spring Semester 2013 through and including Spring Semester 2014.

I. Audit Findings Cited From Regular Education Program Audits

	FY 2014-2015	FY 2013-2014
Audits completed	58	58
Colleges with no exceptions or concerns	38	33
Colleges with concerns and exceptions that resulted in the reversion of FTE	2	3
Colleges with exceptions only that resulted in the reversion of FTE	5	6
Colleges with concerns only (no FTE reversion required)	13	16
Total audit exceptions cited	7	9
Total audit concerns cited	17	23

II. Financial Reversions: Received from seven Colleges with Exceptions Ranging from \$5,609 to \$664,626.

Reversions for Regular Education Program Audits Conducted FY 2014-2015					
Curriculum FTE Reversions	Occupational Extension/ Continuing Education FTE Reversions	Literacy FTE Reversions	Total FTE Reversions Billed	Total FTE Reversions Paid	Reversions Balance Due
\$807,197	\$41,243	\$0.00	\$848,440	\$848,440	\$0.00
Total Reversions Received In FY 2014-2015				\$848,440	\$0.00
Comparison Of Financial Reversions For Regular Audits: There was a 623.3% increase in FY 2014-2015 financial reversions compared to FY 2013-2014 due to two audits with large findings – one required a reversion of \$664,626, and the second one required a reversion of \$126,458.				FY 2014-2015	FY 2013-2014
				\$848,440	\$117,301

III. Excepted Class Hours: Class hours reported where an exception occurred, and a financial reversion was required for FY 2014-2015.

Excepted Hours for Regular Education Program Audits								
Area of Instruction	Tier 1A Over-Reported	Tier 1A Under-Reported	Tier 2 Over-Reported	Tier 2 Under - Reported	Tier 3 Over-Reported	Tier 3 Under - Reported	Total FY 2014-15 Excepted	Total FY 2013-14 Excepted
Curriculum	320.00	(288.00)	84,177.00	.00	.00	.00	84,209.00	7,349.00
Occupational Extension/ Continuing Education	912.00	.00	744.00	.00	4,378.00	.00	6,034.00	7,108.00
Basic Skills (Literacy)	.00	.00	.00	.00	.00	.00	.00	.00
Total	1,232.00	(288.00)	84,921.00	.00	4,378.00	.00	90,243.00	14,457.00
Comparison Of Excepted Hours For Regular Audits: There was a 524.2% increase in FY 2014-2015 hours excepted compared to FY 2013-2014. This is also due to the two large findings – one with 69,345 hours excepted, and the second one with 13,536 excepted.							FY 2014-2015	FY 2013-2014
							90,243.00	14,457.00

Attachment A : Summary of Education Program Audit Findings by College for Audits Conducted FY 2014-2015

Attachment B: Summary Of Hours Excepted and FTE Funding Reverted By Tier For Audits Conducted FY 2014-2015

**Summary of Education Program Audit Findings by College
Audits Conducted FY 2014-2015
Attachment A**

COLLEGE	DATE COMPLETED	# EXCEPTIONS	# CONCERNS	TOTAL CURRICULUM HOURS EXCEPTED	CURRICULUM FTE REVERSION	TOTAL CONTINUING EDUCATION HOURS EXCEPTED	CONTINUING ED FTE REVERSION	LITERACY HOURS EXCEPTED	LITERACY FTE REVERSION	TOTAL FTE REVERSION	REVERSION AMOUNT REDUCED FROM COLLEGE BUDGET	REVERSION BALANCE DUE
Alamance CC	08/26/14	0	0	0	0	0	0	0	0	0	0	0
Asheville-Buncombe TCC	05/21/15	0	1	0	0	0	0	0	0	0	0	0
Beaufort County CC	08/14/14	0	1	0	0	0	0	0	0	0	0	0
Bladen CC	11/17/14	0	0	0	0	0	0	0	0	0	0	0
Blue Ridge CC	06/22/15	0	0	0	0	0	0	0	0	0	0	0
Brunswick CC	03/12/15	1	1	0	0	912	\$7,807	0	0	\$7,807	\$7,807	0
Caldwell CC & TI	06/25/15	0	0	0	0	0	0	0	0	0	0	0
Cape Fear CC	05/27/15	0	0	0	0	0	0	0	0	0	0	0
Carteret CC	01/15/15	1	0	69,345	\$664,626	0	0	0	0	\$664,626	\$664,626	0
Catawba Valley CC	10/02/14	0	0	0	0	0	0	0	0	0	0	0
Central Carolina CC	09/05/14	0	0	0	0	0	0	0	0	0	0	0
Central Piedmont CC*	09/25/14	0	0	0	0	0	0	0	0	0	0	0
Cleveland CC	09/22/14	0	1	0	0	0	0	0	0	0	0	0
Coastal Carolina CC	02/13/15	0	0	0	0	0	0	0	0	0	0	0
College of The Albemarle	08/26/14	0	0	0	0	0	0	0	0	0	0	0
Craven CC	11/24/14	0	1	0	0	0	0	0	0	0	0	0
Davidson County CC	11/06/14	0	0	0	0	0	0	0	0	0	0	0
Durham Technical CC	02/05/15	0	0	0	0	0	0	0	0	0	0	0
Edgecombe CC	10/28/14	0	1	0	0	0	0	0	0	0	0	0
Fayetteville Technical CC	02/07/15	0	2	0	0	0	0	0	0	0	0	0
Forsyth Technical CC	03/30/15	0	1	0	0	0	0	0	0	0	0	0
Gaston College	06/10/15	0	1	0	0	0	0	0	0	0	0	0
Guilford Technical CC	05/14/15	0	0	0	0	0	0	0	0	0	0	0
Halifax CC	10/20/14	0	1	0	0	0	0	0	0	0	0	0
Haywood CC	11/24/14	1	0	13,248	\$126,458	0	0	0	0	\$126,458	\$126,458	0
Isothermal CC	12/17/14	0	0	0	0	0	0	0	0	0	0	0
James Sprunt CC	09/04/14	0	0	0	0	0	0	0	0	0	0	0
Johnston CC	11/21/14	0	0	0	0	0	0	0	0	0	0	0
Lenoir CC*	03/19/15	0	0	0	0	0	0	0	0	0	0	0
Martin CC	03/11/15	0	0	0	0	0	0	0	0	0	0	0
Mayland CC	03/31/15	0	0	0	0	0	0	0	0	0	0	0
McDowell Technical CC	05/14/15	0	0	0	0	0	0	0	0	0	0	0
Mitchell CC	06/04/15	0	0	0	0	0	0	0	0	0	0	0
Montgomery CC	10/10/14	1	0	0	0	1,487	\$9,556	0	0	\$9,556	\$9,556	0
Nash CC	10/01/14	1	0	1,616	\$16,113	0	0	0	0	\$16,113	\$16,113	0
Pamlico CC	01/15/15	0	1	0	0	0	0	0	0	0	0	0
Piedmont CC	10/30/14	0	0	0	0	0	0	0	0	0	0	0
Pitt CC	03/04/15	0	0	0	0	0	0	0	0	0	0	0
Randolph CC	04/17/15	0	0	0	0	0	0	0	0	0	0	0
Richmond CC	08/14/14	0	0	0	0	0	0	0	0	0	0	0
Roanoke-Chowan CC	12/21/14	0	1	0	0	0	0	0	0	0	0	0
Robeson CC	03/27/15	0	2	0	0	0	0	0	0	0	0	0
Rockingham CC	10/22/14	0	0	0	0	0	0	0	0	0	0	0

**Summary of Education Program Audit Findings by College
Audits Conducted FY 2014-2015
Attachment A**

COLLEGE	DATE COMPLETED	# EXCEPTIONS	# CONCERNS	TOTAL CURRICULUM HOURS EXCEPTED	CURRICULUM FTE REVERSION	TOTAL CONTINUING EDUCATION HOURS EXCEPTED	CONTINUING ED FTE REVERSION	LITERACY HOURS EXCEPTED	LITERACY FTE REVERSION	TOTAL FTE REVERSION	REVERSION AMOUNT REDUCED FROM COLLEGE BUDGET	REVERSION BALANCE DUE
Rowan-Cabarrus CC	09/08/14	0	0	0	0	0	0	0	0	0	0	0
Sampson CC	04/28/15	0	0	0	0	0	0	0	0	0	0	0
Sandhills CC	09/03/14	0	0	0	0	0	0	0	0	0	0	0
South Piedmont CC	04/01/15	0	0	0	0	0	0	0	0	0	0	0
Southeastern CC	04/23/15	0	0	0	0	0	0	0	0	0	0	0
Southwestern CC	06/05/15	0	1	0	0	0	0	0	0	0	0	0
Stanly CC	05/12/15	0	0	0	0	0	0	0	0	0	0	0
Surry CC	06/04/15	0	0	0	0	0	0	0	0	0	0	0
Tri-County CC	06/04/15	0	0	0	0	0	0	0	0	0	0	0
Vance-Granville CC	11/21/14	0	0	0	0	0	0	0	0	0	0	0
Wake Technical CC*	03/02/15	1	0	0	0	793	\$5,609	0	0	\$5,609	\$5,609	0
Wayne CC	12/12/14	1	1	0	0	2,842	\$18,271	0	0	\$18,271	\$18,271	0
Western Piedmont CC	01/30/15	0	0	0	0	0	0	0	0	0	0	0
Wilkes CC	04/16/15	0	0	0	0	0	0	0	0	0	0	0
Wilson CC	04/13/14	0	0	0	0	0	0	0	0	0	0	0
Regular Audit Totals		7	17	84,209	\$807,197	6,034	\$41,243	0	0	\$848,440	\$848,440	\$0
Special Audits												
Resulted in Management Letter	12/16/14	0	0									
Special Audit Totals		0	0	0	0	0	0	0	0	0	0	0
GRAND TOTALS		7	17	84,209	\$807,197	6,034	\$41,243	0	0	\$848,440	\$848,440	\$0

Total Budget FTE Allocated to Colleges for Instruction = \$832,230,965

Total Budget FTE Reverted From Colleges = \$848,440

Attachment B

SUMMARY OF HOURS EXCEPTED AND FTE FUNDING REVERTED BY TIER FOR AUDITS CONDUCTED FY 2014-2015												
HOURS EXCEPTED	CURRICULUM				CONTINUING EDUCATION					LITERACY	TOTAL HOURS EXCEPTED	
	Tier 1A	Tier 1B	Tier 2	Total Curriculum Hours Excepted	Tier 1A	Tier 1B	Tier 2	Tier 3	Total Continuing Education Hours Excepted	Tier 2		
COLLEGE												
Brunswick CC	-	-	-	-	912.00	-	-	-	-	912.00	-	
Carteret CC	-	-	69,345.00	69,345.00	-	-	-	-	-	-	-	
Haywood CC	(288.00)	-	13,536.00	13,248.00	-	-	-	-	-	-	-	
Montgomery CC	-	-	-	-	-	-	-	1,487.00	1,487.00	-	-	
Nash CC	320.00	-	1,296.00	1,616.00	-	-	-	-	-	-	-	
Wake TCC	-	-	-	-	-	-	744.00	49.00	793.00	-	-	
Wayne CC	-	-	-	-	-	-	-	2,842.00	2,842.00	-	-	
Tier Totals	32.00	-	84,177.00		912.00	-	744.00	4,378.00		0.00		
Grand Totals				84,209.00					6,034.00	0.00		90,243.00

FUNDING REVERTED	CURRICULUM				CONTINUING EDUCATION					LITERACY	TOTAL FUNDING REVERTED	
	Tier 1A	Tier 1B	Tier 2	Total Curriculum Funding Reverted	Tier 1A	Tier 1B	Tier 2	Tier 3	Total Continuing Education Funding Reverted	Tier 1B		
COLLEGE												
Brunswick CC	\$ -	\$ -	\$ -	\$ -	\$ 7,807.00	\$ -	\$ -	\$ -	\$ -	\$ 7,807.00	\$ -	
Carteret CC	\$ -	\$ -	\$ 664,626.00	\$ 664,626.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Haywood CC	\$ (3,287.00)	\$ -	\$ 129,745.00	\$ 126,458.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Montgomery CC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,556.00	\$ 9,556.00	\$ -	\$ -	
Nash CC	\$ 3,698.00	\$ -	\$ 12,415.00	\$ 16,113.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Wake TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,271.00	\$ 18,271.00	\$ -	\$ -	
Wayne CC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,300.00	\$ 309.00	\$ 5,609.00	\$ -	\$ -	
Tier Totals	\$ 411.00	\$ -	\$ 806,786.00		\$ 7,807.00	\$ -	\$ 5,300.00	\$ 28,136.00		\$ 0.00		
Grand Totals				\$ 807,197.00					\$ 41,243.00	\$ 0.00		\$ 848,440.00

Attachment B

To Calculate an FTE Reversion:
 Divide hours excepted by the hours equaling one FTE = Number of FTE Excepted
 Multiply the Applicable Tier Rate for the hours excepted by the Number of FTE Excepted = Reversion Due

	Curriculum	Continuing Education/ Occupational Extension	Basic Skills/Literacy
Hours Equaling One FTE	512	688	688
Tier Rate Per FTE			
Tier 1A	\$5,869.62	\$5,869.62	
Tier 1B	\$5,390.47	\$5,390.47	
Tier 2	\$4,907.16	\$4,907.16	\$4,907.16
Tier 3		\$4,423.95	

Contact: Elizabeth Self, Executive Director
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