



**INTERIM REPORT OF  
EDUCATION PROGRAM AUDIT FINDINGS  
FOR AUDITS CONDUCTED FY 2013-2014**

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

Compiled March 10, 2014

**North Carolina Community College System Audit Services  
Interim Report to the State Board of Community Colleges  
Summary of Education Program Audits Conducted Fiscal Year 2013-2014**

Each year an education program audit is conducted at each of the 58 community colleges by NCCCS Audit Services staff. As of March 10, 2014, 22 of the required audits for FY 2013-2014 have been completed, and the college has been sent a final audit report. There are 6 colleges with reports in process; this means that the on-site audit review has been completed, and the audit report and supporting documentation have been submitted to the System Office and are undergoing a second review by the Executive Director of Audit Services and Executive Vice President for Operations/Chief Financial Officer. Audit reviews have begun at 10 colleges; however the on-site review has not yet been completed nor the audit report compiled and submitted to the System Office. There are 20 college audits remaining to be completed that have had no action taken to date.

Of the audit reviews completed during Fiscal Year 2013-2014, 16 colleges had no exceptions or concerns; 6 colleges were cited with exceptions or concerns and were provided with a preliminary audit report that has now been finalized. For the 6 audit reviews now “in process,” any exceptions or concerns that remain after the secondary review will be noted and sent to the college in a preliminary audit report. The college will then be allowed 30 days to respond to the report and provide further explanation or additional documentation that might justify the removal of an exception or concern. If removal is justified, the final audit report will be prepared accordingly; otherwise all concerns or exceptions included in the preliminary audit report will be included in the final audit report.

**Final audit reports have been completed** for the following colleges:

Beaufort County Community College	Montgomery Community College
Catawba Valley Community College	Piedmont Community College
Central Carolina Community College	Richmond Community College
Central Piedmont Community College	Roanoke-Chowan Community College
Cleveland Community College	Rockingham Community College
College of The Albemarle	Rowan-Cabarrus Community College
Davidson County Community College	Sandhills Community College
Edgecombe Community College	Southeastern Community College
Haywood Community College	Tri-County Community College
James Sprunt Community College	Wayne Community College
Johnston Community College	Western Piedmont Community College

**Audit entrance letters have been sent** to the following colleges, but the on-site phase of the audit review has not reached completion:

Bladen Community College	Mayland Community College
Coastal Carolina Community College	Nash Community College
Craven Community College	Vance-Granville Community College
Forsyth Technical Community College	Wilkes Community College
Halifax Community College	Wake Technical Community College

**Reports are in process** for 6 colleges with the report and documentation undergoing the secondary review at the System Office. Of those under review, 2 are without exceptions or concerns, 2 have a preliminary audit exception with 1 finding each and include a combined total of 3,812 excepted hours, and 2 have a preliminary concern with 1 finding each. The following colleges have reports under secondary review:

Alamance Community College	Lenoir Community College
Cape Fear Community College	Martin Community College
Isothermal Community College	Pamlico Community College

**Audits have not begun** at the following colleges:

Asheville-Buncombe Technical Community College	Mitchell Community College
Blue Ridge Community College	Pitt Community College
Brunswick Community College	Randolph Community College
Caldwell Community College & Technical Institute	Robeson Community College
Carteret Community College	Sampson Community College
Durham Technical Community College	South Piedmont Community College
Fayetteville Technical Community College	Southwestern Community College
Gaston College	Stanly Community College
Guilford Technical Community College	Surry Community College
McDowell Technical Community College	Wilson Community College

**Management Letters have been** sent to 9 colleges, and 4 management letters are in process pending further review.

## STATE BOARD OF COMMUNITY COLLEGES

**North Carolina Community College System  
Interim Summary of Education Program Audits for Fiscal Year 2013-2014**

- I. The following summary information is the result of findings by the North Carolina Community College System Audit Services staff through March 10, 2014. Records reviewed during these audit reviews were for the period Spring 2012 through and including Spring 2013.

	<b>INTERIM FY 2013-2014</b>
Number of site audits completed	22
Number of colleges with no exceptions or concerns	16
Number of colleges with concerns and exceptions that resulted in the reversion of FTE	0
Number of colleges with exceptions only that resulted in the reversion of FTE	2
Number of colleges with concerns only (no FTE reversion required)	4
Total audit exceptions cited	2
Total audit concerns cited	5
Total financial adjustments/reversions due from audits conducted	<b>\$13,166</b>
Total hours excepted	<b>1,336</b>

Note: An interim report was not compiled in FY 2012-2013.

- II. Two colleges have been cited thus far with findings that required the reversion of FTE funding; one college reverted \$5,901, and the other reverted \$7,265 for the excepted hours in their audit report.

<b>Financial Hours Excepted and Reversions for Audits Conducted FY 2013-2014 to Date</b>						
<b>Exceptions</b>	<b>Curriculum</b>	<b>Occupational Extension/ Continuing Education</b>	<b>Literacy/ Basic Skills</b>	<b>Total FTE Reversions Billed</b>	<b>Total FTE Reversions Paid</b>	<b>Reversions Balance Due</b>
<b>Hours</b>	<b>1,336*</b>	<b>0</b>	<b>0</b>			
<b>Total Reversion Amount</b>	<b>\$13,166</b>	<b>\$00</b>	<b>\$00</b>	<b>\$13,166</b>	<b>\$13,166</b>	

\*Of the hours excepted, 584 met the criteria for and were classified as FTE Tier 1, and 752 hours were FTE Tier 2.

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