



Compliance Services Update

**State Board of Community Colleges
Accountability and Audit Committee**



2013 Appropriations Act

- 1. Repealed G.S. 115D-5(m) effective July 1, 2015.**
- 2. Eliminated recurring funds (\$551,572) for Audit Services team and appropriates non-recurring funds (\$551,572) for FY 2013-14 and FY 2014-15.**
- 3. Established the Program Audit Study Committee.**



Program Audit Study Committee

- Per Section 10.15, the committee shall:
 - Determine how program audit procedures may be streamlined to minimize the administrative burden on the institutions being audited and how funding mechanisms may be changed to reduce reliance on contact hours.
 - Seek input from community college staff members who are responsible for assistance with the program audits to study the problems associated with the program audit function and potential resolutions for those issues.
 - Report the results of its study and recommendations to the Joint Legislative Education Oversight Committee by January 1, 2015.



2015 Appropriations Act

- Restored recurring funds for Compliance Services (formerly Audit Services)
- Amended 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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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

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Core Principles

Integrity Fairness Consistency



The image shows three identical classical columns, each with a fluted shaft and a capital featuring two scrolls. They are arranged horizontally, one under each of the words 'Integrity', 'Fairness', and 'Consistency'.



Initial Changes

- New name...new approach that continues to evolve
- Organizational changes and new roles
- Roles, responsibilities, and procedures for providing policy guidance to colleges clarified
- Compliance reviews are conducted on-site
- Compliance reviews are conducted bi-annually unless there are material findings
- Opportunities for communication and coaching on documentation expectations



SBCCC Changes

- Simplify and clarify State Board rules
 - 1A SBCCC 300. College Service Areas ✓
 - Chapter D Educational Programs
 - 1D SBCCC 200. Basic Skills
 - 1D SBCCC 300. Continuing Education ✓
 - 1D SBCCC 400. Curriculum
 - Chapter G Full Time Equivalent Students
 - Phase 1 (summer term funding-related) ✓
 - Phase 2
 - Adopt rules governing Compliance Services
 - Under review by Legal Affairs



On-Going Work

- Working with external expertise on sampling methodology
- Change process for reviewing records, prioritizing the development of electronic-based processes
 - Plan to do this in conjunction with implementation of new ERP system
- Appointment of Compliance Review Advisory Committee
- On-going work with program staff to identify college needs for training and guidance