



**EDUCATION PROGRAM AUDIT
SUMMARY REPORT
FISCAL YEAR 2013-2014**

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

November 21, 2014

**North Carolina Community College System Audit Services
Report to the State Board of Community Colleges
Annual 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. The results of the audits conducted FY 2013-2014 are that 33 colleges had no exceptions or concerns cited, and 25 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 and, if possible, provide additional documentation for review and consideration of removal of the exception or concern. If removal was justified, the final audit report was prepared accordingly; otherwise all concerns or exceptions included in the preliminary audit report were included in the final audit report. Final audit reports for the following colleges included audit review findings:

Alamance Community College
Asheville-Buncombe Technical Community College
Brunswick Community College
Cape Fear Community College
Catawba Valley Community College
Cleveland Community College
College of The Albemarle
Durham Technical Community College
Fayetteville Technical Community College
Gaston College
Guilford Technical Community College
Halifax Community College
Haywood Community College
Isothermal Community College
James Sprunt Community College
McDowell Technical Community College
Pamlico Community College
Pitt Community College
Robeson Community College
Rowan-Cabarrus Community College
Sampson Community College
South Piedmont Community College
Stanly Community College
Wake Technical Community College
Wilson Community College

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

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

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

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 2013-2014. Documentation reviewed during these audits were for the period beginning Spring Semester 2012 through and including Spring Semester 2013.

I. Audit Findings Cited From Regular Education Program Audits

	FY 2013-2014	FY 2012-2013
Audits completed	58	58
Colleges with no exceptions or concerns	33	16
Colleges with concerns and exceptions that resulted in the reversion of FTE	3	11
Colleges with exceptions only that resulted in the reversion of FTE	6	15
Colleges with concerns only (no FTE reversion required)	16	16
Total audit exceptions cited	9	33
Total audit concerns cited	23	39

II. Financial Reversions: Received from nine Colleges with Exceptions Ranging from \$4,982-\$28,978.

Reversions for Regular Education Program Audits Conducted FY 2013-2014					
Curriculum FTE Reversions	Occupational Extension/ Continuing Education FTE Reversions	Literacy FTE Reversions	Total FTE Reversions Billed	Total FTE Reversions Paid	Reversions Balance Due
\$69,846	\$47,455	\$0.00	\$117,301	\$117,301	\$0.00
*Reversion for Special Audit Conducted at the Request of College					
Curriculum FTE Reversions	Occupational Extension/ Continuing Education FTE Reversions	Literacy FTE Reversions	Total FTE Reversions Billed	Total FTE Reversions Paid	Reversions Balance Due
1 Audit	\$3,315		\$3,315	\$3,315	\$0.00
Subtotal Reversions for Audits Conducted FY 2013-2014				\$120,616	
*Carried Forward from FY 2012-2013 and Paid in FY 2013-2014				\$218,370	\$0.00
Total Reversions Received In FY 2013-2014				\$338,986	\$0.00
Comparison Of Financial Reversions For Regular Audits: There was an 82.4% decrease in FY 2013-2014 financial reversions compared to FY 2012-2013.				FY 2013-2014	FY 2012-2013
				\$117,301	\$666,554

*Four college audits in preliminary status at FY 2012-2013 year-end requiring a reversion were finalized FY 2013-2014. The statistics for those reports were reported to the SBCC in November 2013; therefore, along with the special audit, they are not otherwise included in Table I or Attachment A.

III. Excepted Class Hours: Class hours reported where an exception occurred, and a financial reversion was required for FY 2013-2014.

Excepted Hours for Regular Education Program Audits								
Area of Instruction	Tier 1 Over-Reported	Tier 1 Under-Reported	Tier 2 Over-Reported	Tier 2 Under - Reported	Tier 3 Over-Reported	Tier 3 Under - Reported	Total FY 2013-14 Excepted	Total FY 2012-13 Excepted
Curriculum	584.00	112.00	6,877.00	.00	.00	.00	7,349.00	31,665.00
Occupational Extension/ Continuing Education	.00	.00	3,478.00	.00	3,630.00	.00	7,108.00	49,531.75
Basic Skills (Literacy)	.00	.00	.00	.00	.00	.00	.00	2,691.00
Subtotal	584.00	112.00	10,355.00	.00	3,630.00	.00	14,457.00	83,887.75
Excepted Hours for Special Audit Conducted at the Request of College – Occupational Extension/ Continuing Education								
Excepted Hours*	.00	.00	524.00	.00	.00	.00	524.00	
Hours to Be Corrected on ICR**	.00	.00	3,054.00	.00	8,196.00	.00	11,250.00	
Subtotal	.00	.00	3,578.00	.00	8,196.00	.00	11,774.00	
TOTAL	584.00	112.00	13,933.00	.00	11,826.00	.00	26,231.00	
Comparison Of Excepted Class Hours Excepted For Regular Audits: There was an 82.7% decrease in the total hours excepted in regular audits in FY 2013-2014 compared to FY 2012-2013.								

*Class hours excepted that required funding to be reverted (listed in Table II) by the NCCCS Finance and Operations Division (System Office) that were beyond the period within which class hours reported for budget/FTE are allowed to be corrected on the college's ICR.

**These hours were adjusted by college staff on the ICR.

Attachment A : Findings by College

Attachment B: Reversion Summary - Expanded

Contact: Elizabeth Self, Executive Director
NCCCS Audit Services

Summary of FY 2013-2014 Education Program Audit Findings by College

Attachment A			CURRICULUM HOURS EXCEPTED			CONTINUING EDUCATION HOURS EXCEPTED			LITERACY HOURS EXCEPTED	COMBINED TOTAL	FINANCIAL REVERSION REQUIRED 1 FTE = 512 Curriculum, 688 Continuing Education, and 688 Literacy Hours 1 FTE \$ Value = Tier 1 \$5,312.31; Tier 2 \$4,836.79; and Tier 3 \$4,361.38						
			DATE AUDIT COMPLETED	NO. OF EXCEPTIONS	NO. OF CONCERNS	TIER 1	TIER 2	TOTAL CURRICULUM	TIER 2	TIER 3	TOTAL CONTINUING EDUCATION	TOTAL LITERACY TIER 2	HOURS EXCEPTED	CURRICULUM	CONTINUING EDUCATION	LITERACY	TOTAL FTE REVERSION
COLLEGE																	
Alamance CC	02/06/14	1	0	(48)	3,120	3,072	-	-	-	-	3,072	\$ 28,978	\$ -	\$ -	\$ 28,978	\$ 28,978	\$0.00
Asheville-Buncombe Technical CC	06/26/14	1	0	(64)	1,229	1,165	-	-	-	-	1,165	\$ 10,918	\$ -	\$ -	\$ 10,918	\$ 10,918	\$0.00
Beaufort County CC	09/13/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Bladen CC	04/04/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Blue Ridge CC	06/26/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Brunswick CC	05/23/14	0	2	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Caldwell CC & TI	06/13/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Cape Fear CC	02/18/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Carteret CC	04/10/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Catawba Valley CC	10/07/13	1	0	-	624	624	-	-	-	-	624	\$ 5,901	\$ -	\$ -	\$ 5,901	\$ 5,901	\$0.00
Central Carolina CC	11/01/01	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Central Piedmont CC	08/23/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Cleveland CC	09/24/13	1	0	584	128	712	-	-	-	-	712	\$ 7,265	\$ -	\$ -	\$ 7,265	\$ 7,265	\$0.00
Coastal Carolina CC	03/24/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
College of The Albemarle	10/02/13	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Craven CC	03/24/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Davidson County CC	10/16/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Durham Technical CC	05/22/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Edgecombe CC	10/01/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Fayetteville Technical CC	04/23/14	1	1	-	-	-	2,630	728	3,358	-	3,358	\$ -	\$ 23,100	\$ -	\$ 23,100	\$ 23,100	\$0.00
Forsyth Technical CC	02/13/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Gaston College	05/02/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Guilford Technical CC	06/13/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Halifax CC	03/06/14	1	0	-	-	-	22	2,820	2,842	-	2,842	\$ -	\$ 18,027	\$ -	\$ 18,027	\$ 18,027	\$0.00
Haywood CC	10/30/13	0	2	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Isothermal CC	01/07/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
James Sprunt CC	08/05/13	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Johnston CC	09/30/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Lenoir CC	01/13/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00

Summary of FY 2013-2014 Education Program Audit Findings by College

Attachment A				CURRICULUM HOURS EXCEPTED			CONTINUING EDUCATION HOURS EXCEPTED			LITERACY HOURS EXCEPTED	COMBINED TOTAL	FINANCIAL REVERSION REQUIRED 1 FTE = 512 Curriculum, 688 Continuing Education, and 688 Literacy Hours 1 FTE \$ Value = Tier 1 \$5,312.31; Tier 2 \$4,836.79; and Tier 3 \$4,361.38					
COLLEGE	DATE AUDIT COMPLETED	NO. OF EXCEPTIONS	NO. OF CONCERNS	TIER 1	TIER 2	TOTAL CURRICULUM	TIER 2	TIER 3	TOTAL CONTINUING EDUCATION	TOTAL LITERACY TIER 2	HOURS EXCEPTED	CURRICULUM	CONTINUING EDUCATION	LITERACY	TOTAL FTE REVERSION	AMOUNT REDUCED FROM BUDGET	BALANCE DUE
Martin CC	02/10/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Mayland CC	03/12/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
McDowell Technical CC	05/28/14	1	1	-	528	528	-	-	-	-	528	\$ 4,982	\$ -	\$ -	\$ 4,982	\$ 4,982	\$0.00
Mitchell CC	04/01/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Montgomery CC	11/12/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Nash CC	01/30/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Pamlico CC	01/10/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Piedmont CC	10/25/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Pitt CC	04/14/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Randolph CC	06/04/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Richmond CC	08/27/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Roanoke-Chowan CC	08/13/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Robeson CC	05/15/14	0	2	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Rockingham CC	11/20/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Rowan-Cabarrus CC	09/17/13	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Sampson CC	06/16/14	0	2	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Sandhills CC	12/05/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
South Piedmont CC	04/25/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Southeastern CC	09/12/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Southwestern CC	06/30/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Stanly CC	06/20/14	0	1	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Surry CC	05/16/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Tri-County CC	12/02/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Vance-Granville CC	04/01/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Wake Technical CC	04/03/14	1	1	-	-	-	826	82	908	-	908	\$ -	\$ 6,328	\$ -	\$ 6,328	\$ 6,328	\$0.00
Wayne CC	12/03/13	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Western Piedmont CC	01/09/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Wilkes CC	03/06/14	0	0	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$0.00
Wilson CC	05/01/14	1	0	-	1,248	1,248	-	-	-	-	1,248	\$ 11,802	\$ -	\$ -	\$ 11,802	\$ 11,802	\$0.00
Regular Audit Totals		9	23	472	6,877	7,349	3,478	3,630	7,108	-	14,457	\$ 69,846	\$ 47,455	\$ -	\$ 117,301	\$ 117,301	\$0.00

**Summary of FTE Reversions Received During FY 2013-2014
Resulting from Education Program Audit Findings**

Attachment B	CURRICULUM BILLED	EXTENSION/ CON ED BILLED	LITERACY BILLED	TOTAL FINANCIAL REVERSIONS BILLED	AMOUNT POSTED TO COLLEGES ACCOUNT	REVERSIONS BALANCE DUE	DATE REQUESTED	DATE POSTED TO COLLEGE'S ACCOUNT
COLLEGE								
2012-13 Carried Forward to 2013-2014								
TOTAL CARRY FORWARD	\$ 47,684	\$ 170,686	\$ -	\$ 218,370	\$ 218,370	\$ -		
Reversions for Regular Education Program Audits Conducted FY 2013-14								
Cleveland CC	\$ 7,265	\$ -	\$ -	\$ 7,265	\$ 7,265	\$ -	01/24/13	02/26/14
Cataw ba Valley CC	\$ 5,901	\$ -	\$ -	\$ 5,901	\$ 5,901	\$ -	01/15/14	02/26/14
Alamance CC	\$ 28,978	\$ -	\$ -	\$ 28,978	\$ 28,978	\$ -	05/12/14	05/29/14
Halifax CC		\$ 18,027	\$ -	\$ 18,027	\$ 18,027	\$ -	06/06/14	06/25/14
Wake TCC		\$ 6,328	\$ -	\$ 6,328	\$ 6,328	\$ -	06/06/14	06/25/14
Wilson CC	\$ 11,802	\$ -	\$ -	\$ 11,802	\$ 11,802	\$ -	05/22/14	05/29/14
Fayetteville TCC	\$ -	\$ 23,100	\$ -	\$ 23,100	\$ 23,100	\$ -	06/23/14	06/25/14
McDow ell TCC	\$ 4,982	\$ -	\$ -	\$ 4,982	\$ 4,982	\$ -	06/30/14	06/30/14
Asheville-Buncombe TCC	\$ 10,918	\$ -	\$ -	\$ 10,918	\$ 10,918	\$ -	06/30/14	06/30/14
TOTALS-REGULAR AUDITS CONDUCTED FY 13-14	\$ 69,846	\$ 47,455	\$ -	\$ 117,301	\$ 117,301	\$ -		
Special Audits								
SPECIAL AUDIT (1)	\$ -	\$ 3,315	\$ -	\$ 3,315	\$ 3,315	\$ -		
SUMMARY OF FTE REVERSIONS DUE TO EXCEPTIONS IN FY AUDIT FINDINGS								
TOTAL AUDIT REVERSIONS FY 13-14	\$ 117,530	\$ 221,456	\$ -	\$ 338,986	\$ 338,986	\$ -		

Total FTE Allocated to 58 Colleges = \$1,326,917,655.00

Total Reversions Received = \$338,986.00