



**INTERIM REPORT OF  
EDUCATION PROGRAM AUDIT FINDINGS  
FOR AUDITS CONDUCTED FY 2014-2015**

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

Compiled March 31, 2015

**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 31, 2015, 30 of the required audit reviews for FY 2014-2015 have been completed, and the college has been sent a final audit report. 20 of the completed reviews had no exceptions or concerns, and 10 of the completed reviews were cited with exceptions\* or concerns in their report.

There are 7 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 where they undergo a second review by the Executive Director of Audit Services and the NCCCS Executive Vice President/Chief Financial Officer. Any exceptions or concerns that remain after the secondary review are noted and sent to the college in a preliminary audit report. The college is then allowed 30 days to prepare the required response to the report which will either concur with the audit findings or provide further explanation or additional documentation for mitigation of the finding(s). If the college concurs with the audit findings, all concerns and/or exceptions initially listed in the preliminary audit report are included in the final audit report. If some or all of the initial findings are mitigated and found in compliance with NC General Statutes and/or State Board of Community Colleges Code, the final audit report is prepared accordingly.

Entrance letters announcing the beginning of an audit review have been sent to 6 additional colleges, and 15 colleges remain to be initially contacted for the audit review.

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

Alamance CC	Haywood CC*
Beaufort County CC	Isothermal CC
Bladen CC	James Sprunt CC
Carteret CC*	Johnston CC
Catawba Valley CC	Montgomery CC*
Central Carolina CC	Nash CC*
Central Piedmont CC	Pamlico CC
Cleveland CC	Piedmont CC
Coastal Carolina CC	Pitt CC
College of The Albemarle	Richmond CC
Craven CC	Rockingham CC
Davidson County CC	Rowan-Cabarrus CC
Durham TCC	Sandhills CC
Edgecombe CC	Vance-Granville CC
Halifax CC	Western Piedmont CC

**Audit entrance letters have been sent** to the following colleges, but the on-site phase of the audit review is incomplete.

Mayland CC	South Piedmont CC
Randolph CC	Wilkes CC
Robeson CC	Wilson CC

## Attachment AUD 2

**Audit review reports are in process** for 7 colleges which are listed below in the table. Of those in process, 2 are without exceptions or concerns, 2 have a preliminary exception and a concern, 2 have concerns only, and 1 has an exception only. 6 of the 7 colleges in process have management letters.

Brunswick CC	Roanoke-Chowan CC
Fayetteville TCC	Wake TCC
Lenoir CC	Wayne CC
Martin	

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

Asheville-Buncombe TCC	Mitchell CC
Blue Ridge CC	Sampson CC
Caldwell CC & TI	Southeastern CC
Cape Fear CC	Southwestern CC
Forsyth TCC	Stanly CC
Gaston College	Surry CC
Guilford TCC	Tri-County CC
McDowell TCC	

## STATE BOARD OF COMMUNITY COLLEGES

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

- I. The following summary information is the result of findings by the North Carolina Community College System Audit Services staff through March 31, 2015. Records reviewed during these audit reviews were for the period Spring Semester 2013 through and including Spring Semester 2014.

	<b>INTERIM FY 2014-2015</b>	<b>INTERIM FY 2013-2014</b>
Number of site audits completed	30	22
Number of colleges with no exceptions or concerns	20	16
Number of colleges with concerns and exceptions that resulted in the reversion of FTE	0	0
Number of colleges with exceptions only that resulted in the reversion of FTE	4	2
Number of colleges with concerns only (no FTE reversion required)	6	4
Total audit exceptions cited	4	2
Total audit concerns cited	6	5
Total financial adjustments/reversions due from audits conducted	<b>\$816,753</b>	<b>\$13,166</b>
Total hours excepted	<b>85,696</b>	<b>1,336</b>

- II. 4 colleges have been cited thus far with findings that required the reversion of FTE funding; 3 colleges have reverted a combined \$152,127, and one college that over-reported 69,345 Curriculum hours was granted an extension request to pay their reversion of \$664,626 in full by June 30, 2017.

<b>Financial Hours Excepted and Reversions for Audits Conducted at Interim Report</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>FY 2014-2015 (Reported March 31, 2015)</b>						
<b>Exceptions</b>	<b>3</b>	<b>1</b>	<b>-0-</b>			
<b>Hours</b>	<b>84,209</b>	<b>1,487</b>	<b>-0-</b>			
<b>Total Funding Reversion</b>	<b>\$807,189</b>	<b>\$9,556</b>	<b>\$0.00</b>	<b>\$816,753</b>	<b>\$152,127</b>	<b>\$664,626</b>
<b>FY 2013-2014 (Reported March 10, 2014)</b>						
<b>Hours</b>	<b>1,336*</b>	<b>-0-</b>	<b>-0-</b>			
<b>Total Funding Reversion</b>	<b>\$13,166</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$13,166</b>	<b>\$13,166</b>	<b>\$0.00</b>

**Contact:** Elizabeth Self, Executive Director, Audit Services