

STATE BOARD OF COMMUNITY COLLEGES

Legislative Actions Regarding Audit Services

Background:

G.S. 115D-5(m) states, “(t)he State Board of Community Colleges shall maintain an education program auditing function that conducts an annual audit of each community college operating under the provisions of this Chapter. The purpose of the annual audit shall be to ensure that college programs and related fiscal operations comply with State law, State regulations, State Board policies, and System Office guidance. The State Board of Community Colleges shall require auditors of community college programs to use a statistically valid sample size in performing program audits of community colleges. All education program audit findings shall be forwarded to the college president, local college board of trustees, the State Board of Community Colleges, and the State Auditor.”

Recent Legislative Actions:

The Appropriations Act of 2013 (Section 10.15 of S.L. 2013-360) repeals the above statute effective July 1, 2015. Likewise, the budget funds the Audit Services team of seven employees on a non-recurring basis for the 2013-15 fiscal biennium. During this time period, a committee is required to conduct a study of the program audit function. The committee is directed to look at how program audit procedures may be streamlined to minimize the administrative burden on the colleges and how funding mechanisms may be changed to reduce reliance on contact hours.

The legislation prescribes that the committee will have 12 members: three State Board members, three college presidents, three college board of trustee members, the System Office Chief Financial Officer, the State CIO (or designee), and the State Auditor (or designee). These latter three members of the committee are non-voting members. This committee is required to report results of its study and recommendations to the Joint Legislative Education Oversight Committee by January 1, 2015. If the General Assembly does not take any future action, this function and the seven positions will be eliminated effective July 1, 2015.

Contact:

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