



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

James C. Williamson, Ph. D.

President

November 22, 2016

MEMORANDUM

TO: Community College Presidents

FROM: Jennifer Haygood
Chief of Staff

Bryan Jenkins
Executive Director of Accountability and State Board Affairs

RE: FY 2016-2017 Compliance Services College Assignments and Compliance Review Procedures

The information listed below outlines the major components of the bi-annual reviews to be conducted during the FY 2016-2017. This numbered memo supersedes CC15-036, which included procedures for FY 2015-2016. Attachment A provides a listing of Compliance Review Assignments for FY 2016-2017. Attachment B provides detailed procedures that we will follow during the FY 2016-17 review cycle. Compliance examiners function in a coaching, consultative, and proactive manner. They are available to provide assistance to college staff with implementation of the laws, policies, procedures, guidelines, and reporting requirements as they apply to the compliance review process. If you have any questions regarding the compliance review process, please feel free to contact your compliance examiner, Elizabeth Self, Director of Accountability and Compliance Training (selfe@nccommunitycolleges.edu or 919-807-7224), or Bryan Jenkins (jenkinsb@nccommunitycolleges.edu or 919-807-7147). We look forward to working with you and your college as we strive to meet the educational, workforce, and economic development needs of our communities and the State of North Carolina.

e-copy: Community College Chief Academic Officers
Community College Continuing Education Officers
Community College Continuing Education Registrars
Community College Registrars
Community College Student Development Administrators
Compliance Examiners

CC16-051

**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
FY 2016-2017 Compliance Review Assignments**

Compliance Examiners conduct bi-annual compliance reviews. Listed below are Examiner assignments for FY 2016-2017. Due to changes resulting from the legislatively mandated Study of the Program Audit Function and S.L. 2015-241 (H97) ratified September 18, 2015, reviews are conducted bi-annually. If a compliance review shows material findings, the college will be reviewed again in the next fiscal year. If a college voluntarily requests an annual review, it will be conducted subject to the availability of resources.

Alamance Community College	Connie McKinney
Asheville-Buncombe Technical Community College	Anne Miller
Beaufort County Community College	Tammie Hill
Bladen Community College	Connie McKinney
Blue Ridge Community College	Connie McKinney
Brunswick Community College	Elizabeth Self
Caldwell Community College and Technical Institute	Tammie Hill
Cape Fear Community College	Tammie Hill
Catawba Valley Community College	Elizabeth Self
Cleveland Community College	Connie McKinney
College of The Albemarle	Elizabeth Self
Davidson County Community College	Anne Miller
Durham Technical Community College	Elizabeth Self
Edgecombe Community College	Elizabeth Self
Fayetteville Technical Community College	Anne Miller
Gaston College	Connie McKinney
Halifax Community College	Connie McKinney
James Sprunt Community College	Elizabeth Self
Johnston Community College	Elizabeth Self
Martin Community College	Tammie Hill
Mayland Community College	Connie McKinney
McDowell Technical Community College	Anne Miller
Mitchell Community College	Anne Miller
Pamlico Community College	Tammie Hill
Piedmont Community College	Anne Miller
Pitt Community College	Tammie Hill

Richmond Community College
South Piedmont Community College
Southeastern Community College
Tri-County Community College
Vance-Granville Community College
Wake Technical Community College
Wayne Community College
Wilson Community College

Connie McKinney
Anne Miller
Connie McKinney
Anne Miller
Tammie Hill
Anne Miller
Tammie Hill
Elizabeth Self

**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM
FY 2016-2017 Compliance Review Procedures**

The information listed below outlines the major components of the bi-annual compliance reviews to be conducted during the FY 2016-2017. (These procedures supersede CC15-036, which included procedures for FY 2015-2016.)

Compliance Review Process

I. Administration

- A. Verification of the following requirements and discussion/approvals by the local Board of Trustees as included in meeting minutes:
 - i. Bi-Annual Compliance Review
- B. Documentation of the most current Continuing Education Accountability and Integrity Plan to include a copy of local board minutes showing local board approval.
 - i. Used to verify the college is following the plan and documenting results, especially regarding conducting class visits.

II. Curriculum

- A. A statistically valid Institution Class Report (ICR) Records Sample is identified to conduct a compliance review of the following areas:
 - i. Class records are reviewed to ensure that class hours reported for budget/FTE are accurate, and the ten-percent point (census date) was calculated accurately. Class records are reviewed to ensure that classes are scheduled based on the class hours listed in the Combined Course Library. All class hours reported for regular budget FTE must meet reporting requirements per 1G SBCCC 200.93, Reporting of Student Hours in Membership for Curriculum Classes.
 - ii. Class schedules are verified, ensuring consistency with class hours reported for regular budget FTE and the reporting periods outlined in 1G SBCCC 200.99.
 - iii. The sample of class records requested is reviewed to determine if classes offered are in compliance with the existing Combined Course Library and the college's approved program of study compliance document.

Note: Reviews noted here are also applied to B-J below.

- B. Curriculum Basic Skills Plus. Classes are reviewed to ensure that tuition fee waivers have been appropriately applied for students enrolled or that payment has been made via an alternate method of payment. The classes are also reviewed to verify that the criteria

for enrolling Basic Skills students is met, i.e., provide employability skills, etc.

Documentation (BSP 2000 class rosters) is reviewed to ensure students enrolled in Curriculum Basic Skills Plus classes were also enrolled in the Basic Skills Component which includes courses in Adult High School and High School Equivalency (HSE). These class rosters will be required in addition to those requested on the curriculum sample of classes sheets provided. This review is conducted to ensure class hours are reported in compliance with S.L. 2013-360 (S402), Appropriations Act of 2013, Section 10.3(a)(b) (7/26/13) (referred to in 2014-15 legislation as 115D-31(b1) and 115D-5(b,15) respectively) and Basic Skills Plus Policies and Procedures as Adopted by the Basic Skills Advisory Board 11/26/12 and approved by the State Board of Community Colleges on 11/15/12.

- C. Curriculum Skills Labs are reviewed to ensure the lab hours are reported consistent with 1G SBCCC 200.93, Reporting of Student Hours in Membership for Curriculum Classes, (d) Skills Laboratory or Computer Tutorial Laboratory. Instructor referrals and time cards must be available for review.
- D. Curriculum Student Work Experience (WBL). Documentation of participation in the work experience to include dates and times worked is required for reporting hours for regular budget FTE and is reviewed to ensure regularly scheduled class hours as well as non-regularly scheduled class hours (contact hours) are reported consistent with 1G SBCCC 200.93, Reporting of Student Hours in Membership for Curriculum Classes, (f) Curriculum Student Work Experience and Clinical Practice.
- E. Classes offered to Career and College Promise (CCP) students are reviewed to include program of study approvals and documentation that students enrolled in approved classes met eligibility requirements. Class records will also be reviewed to ensure students are eligible for the applicable fee waiver if applied and are coded correctly for participation in the program. This review is conducted to ensure class hours are reported in compliance with 1D SBCCC 400.99, H-200/S.L. 2011-145, and Curriculum Procedures Reference Manual, Section 14, State Board of Community Colleges (SBCC) revised 7/18/14 and 10/30/15.
- F. The following Computerized (XPA) Reports* are reviewed:
 - i. Cooperative Education or XPAA
 - ii. Student Course Overlap for Curriculum and Continuing Education or XPAQ
 - iii. Underage Students – Curriculum or XPAU

*XPA Reports are utilized by college staff as a method of proactively addressing issues found in the reports. The reports provided to Compliance Services staff are those reviewed by college staff prior to the compliance review.

This review is conducted to ensure class hours are reported in compliance with the references listed in "A" as well as 1D SBCCC 200.95 and H-200/S.L. 2011-145.

- G. Criminal Justice: Basic Law Enforcement Training (BLET) certification classes are reviewed to ensure hours reported are consistent with the Combined Course Library, and the tuition or registration fee waiver is applied per *N.C.G.S. 115D-5(b)* and 1E SBCCC 800.2(c). Pre-delivery and post-delivery approvals should be available for review.
- H. Captive Co-opted* Programs and Courses are reviewed to ensure that State Board of Community Colleges approval has been obtained for all classes offered to captive co-opted groups of students by community colleges, and the reporting of class hours for regular budget FTE is in compliance with 1D SBCCC 700.98, Instruction to Captive Co-opted Groups.

*For compliance review purposes, captive co-opted applies to state prisons only.

- I. Instructional Service Agreements (ISAs) are utilized by colleges as a means of sharing class hours reported for regular budget FTE. These agreements are reviewed to ensure the division of FTE has been made based on the terms of the agreement, and each college involved reports the applicable portion of class hours. The review also ensures the college approved to offer the program of study awards the applicable credential. This review is conducted to ensure class hours are reported in compliance with 1D SBCCC 400.96.
- J. Additional Reviews may be conducted as warranted by previous findings, high risk areas noted, college staff requests, concerns received, etc. If there seems to be reason(s) for the compliance review to go beyond the normal scope, the rationale for doing so will be discussed with the Executive Director of Accountability and State Board Affairs. If it is decided that the compliance review will go beyond the normal scope, the College President will be notified.

Note: Listed references are not all inclusive.

III. Continuing Education and College and Career Readiness

- A. A statistically valid Institution Class Report (ICR) Records Sample is identified to include the following:
 - i. A sample of classes pulled for review which includes all program and course areas of Continuing Education as well as a sample of College and Career Readiness classes (BSP 2000).

- ii. The sample of class records is reviewed to ensure class hours reported for regular budget FTE are accurate, and the ten-percent point (census date) was calculated accurately for the Continuing Education classes. Class records are also reviewed to ensure scheduled hours do not exceed the hours listed in the Continuing Education section of the Combined Course Library (CCL). All class hours reported for regular budget FTE must meet the reporting requirements of 1G SBCCC 200.94, Reporting of Student Hours in Membership for Continuing Education Classes.
- iii. Instructor contracts are reviewed to verify payment is consistent with class hours reported for regular budget FTE. When class instructor contract modifications occur, they need to be documented, appropriately authorized, and provided for review.
- iv. Class documentation is reviewed to ensure applicable registration fees have been collected or fee waivers have been granted appropriately.

Note: Reviews noted here are also applied to B-G below.

- B. Continuing Education Basic Skills Plus. Classes are reviewed to ensure that tuition fee waivers have been appropriately applied for students enrolled or that payment has been made via an alternate method of payment. The classes are also reviewed to verify that the criteria for enrolling Basic Skills (Career and College Readiness) students are met, i.e., provide employability skills, etc. Documentation (BSP 2000 class rosters) is reviewed to ensure students enrolled in Continuing Education Basic Skills Plus classes were also enrolled in the Basic Skills Component which includes courses in Adult High School and High School Equivalency (HSE). These class rosters are required in addition to those requested on the Curriculum sample of classes sheets provided. This review is conducted to ensure class hours are reported in compliance with S.L. 2013-360 (S402), Appropriations Act of 2013, Section 10.3(a)(b) (7/26/13) (referred to in 2014-15 legislation as 115D-31(b1) and 115D-5(b,15) respectively) and Basic Skills Plus Policies and Procedures as Adopted by the Basic Skills Advisory Board 11/26/12 and approved by the State Board of Community Colleges on 11/15/12.
- C. The following Computerized (XPA) Reports* are reviewed:
 - i. Student Course Overlap for Curriculum and Continuing Education or XPAQ
 - ii. Underage Students – Continuing Education or XPAO

*XPA Reports are utilized by college staff as a method of proactively addressing issues found in the reports. The reports provided to Compliance Services staff are those reviewed by college staff prior to the compliance review.

This review is conducted to ensure class hours are reported in compliance with the references listed in “A” as well as 1D SBCCC 200.95 and ID SBCCC 300.99.

- D. Criminal Justice: Basic Law Enforcement Training certification classes are reviewed to ensure hours reported are consistent with the Combined Course Library, and the tuition or registration fee waiver is applied per *N.C.G.S. 115D-5(b)*, and 1E SBCCC 300.99(a)(7)(C) or 1E SBCCC 800.2(c). Pre-delivery and post-delivery approvals should be available for review.

Note: IE SBCCC 800.2 General Provisions (c) Proof of Eligibility was effective May 16, 2014, and IE SBCCC 300.99 was no longer in effect as of that date.

- E. Captive Co-opted* Programs and Courses are reviewed to ensure that State Board of Community Colleges approval has been obtained for all classes offered to captive co-opted groups of students by community colleges and that the reporting of class hours for regular budget FTE is in compliance with 1D SBCCC 700.98, Instruction to Captive Co-opted Groups.

*For compliance review purposes, captive co-opted applies to state prisons only in regard to class hours reported for regular budget FTE.

- F. Instructional Service Agreements (ISAs) Instructional Service Agreements (ISAs) are utilized by colleges as a means of sharing class hours reported for regular budget FTE. These agreements are reviewed to ensure the division of FTE has been made based on the terms of the agreement, and that each college involved reports the applicable portion of class hours. This review is conducted based on 1A SBCCC 300.99, 1D SBCCC 300.97 (replaced previous reference 11/01/14) and CC14-034.
- G. Additional Reviews may be conducted as warranted by previous findings, high risk areas noted, college staff requests, concerns received, etc. If there seems to be reason(s) for the compliance review to go beyond the normal scope, the rationale for doing so will be discussed with the Executive Director of Accountability and State Board Affairs. If it is decided that the compliance review will go beyond the normal scope, the College President will be notified.

Note: Listed references are not all inclusive.

IV. Class Visitation

Class visits may be conducted at the request of the college president or as directed by the State Board of Community Colleges.

V. Post-Compliance Review

- A. Findings noted in the compliance review report will be finalized after the compliance review documentation and report have been reviewed by the Executive Director of State

Board and Internal Auditing. A copy of the compliance report will then be electronically sent to the College President. **Compliance review findings will only include direct violations of the General Statutes or the State Board of Community Colleges Code**

(SBCCC). Issues identified by compliance examiners that pose potential risk, but for which the SBCCC is ambiguous or rules have not yet been adopted, will be documented in a coaching letter to the college president. Such issues will also be copied to the appropriate System Office division for recommendations regarding clarification of SBCCC language.

- B. If there are findings, the college has 30 days from receipt of the preliminary compliance report to respond in writing. When warranted and with a written request from the College President, extensions may be granted to allow a college additional time to develop a response. When submitting the written response to the Executive Director of Accountability and State Board Affairs, the college president may also request a conference with the Executive Director of Accountability and State Board Affairs and/or the Chief of Staff to present pertinent information regarding the finding(s). Any additional, pertinent information provided by college staff should be different documentation than that provided in the initial compliance review. For example, the attendance record, verification of payment, instructor contract, etc. provided for the reporting of the class hours for regular budget FTE at the time of the compliance review cannot be replaced by secondary documentation of the same nature, or in other words, attendance record "B." It is expected that, at the time of the compliance review, accurate and final documentation which was used when the class hours were reported for regular budget FTE via the ICR is provided. If the college provides additional, different documentation, time must be allowed for a secondary compliance review.

When all information has been reviewed and a conclusion reached, a final compliance report will be developed and forwarded to the College President. Upon receipt of the final compliance report, if there is continued disagreement in regard to the findings by the college, a written appeal may be made to the State Board of Community Colleges (SBCC). This written appeal must be submitted within 30 days of receipt of the final compliance review report. The SBCC Accountability and Audit Committee will review the appeal and make its recommendation to the SBCC.