

# STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR

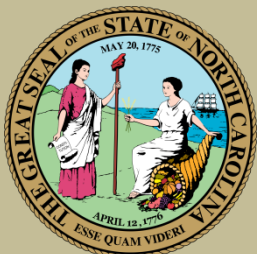
BETH A. WOOD, CPA



## WESTERN PIEDMONT COMMUNITY COLLEGE

MORGANTON, NORTH CAROLINA

STATEWIDE FEDERAL COMPLIANCE AUDIT PROCEDURES  
FOR THE YEAR ENDED JUNE 30, 2022



**NCOSA**  
The Taxpayers' Watchdog



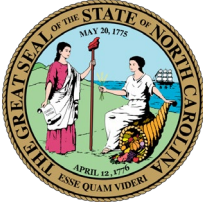
**Beth A. Wood, CPA**  
**State Auditor**

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STATE OF NORTH CAROLINA  
**Office of the State Auditor**



**Beth A. Wood, CPA**  
State Auditor

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## AUDITOR'S TRANSMITTAL

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The Honorable Roy Cooper, Governor  
The General Assembly of North Carolina  
Dr. Joel D. Welch, President  
Western Piedmont Community College

As part of our audit of the State of North Carolina's compliance with the types of requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs, we have completed certain audit procedures at Western Piedmont Community College (College) for the year ended June 30, 2022.

We conducted our audit of federal compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our audit objective was to express an opinion on the State of North Carolina's compliance for each of its major federal programs. However, the audit results described below are in relation to our audit scope at the College and not to the State of North Carolina as a whole. The State Auditor expresses an opinion on the State of North Carolina's compliance with requirements applicable to its major federal programs in the State's *Single Audit Report*.

Our federal compliance audit scope at the College included the Student Financial Assistance Cluster.

Our audit was performed by authority of Chapter 147, Article 5A of the North Carolina General Statutes.

### Compliance

The results of our audit procedures at Western Piedmont Community College disclosed no instances of noncompliance that are required to be reported in accordance with the Uniform Guidance.

### Internal Control Over Compliance

In planning and performing our audit of federal compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are

appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significance deficiencies. Therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we consider the deficiency described in the Finding, Recommendation, and Views of Responsible Officials of the Auditee section to be a significant deficiency in internal control over compliance.

Western Piedmont Community College's Response to the Finding

The College's response to the finding identified in our audit is included in the Finding, Recommendation, and Views of Responsible Officials of the Auditee section of this transmittal. The College's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Purpose of This Transmittal

The purpose of this transmittal is solely to describe the scope of our testing of internal control over compliance and testing of compliance and the results of that testing at the College based on the requirements of the Uniform Guidance. Accordingly, this transmittal is not suitable for any other purpose.

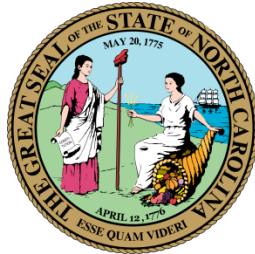
North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this transmittal.



Beth A. Wood, CPA  
State Auditor

Raleigh, North Carolina

March 24, 2023



**FINDING,  
RECOMMENDATION, AND  
VIEWS OF RESPONSIBLE  
OFFICIALS OF THE  
AUDITEE**

**Matters Related to Federal Compliance Audit Objectives**

## ENROLLMENT STATUS REPORTING ERRORS

The College did not accurately report enrollment status changes to the National Student Loan Data System (NSLDS) for students who received federal financial assistance. During the audit period, the College disbursed approximately \$2.8 million in federal financial assistance funding to 720 students subject to this reporting requirement.

Auditors tested the enrollment status reporting for a sample of 40 students who received federal financial assistance and whose enrollment status changed. Seven (18%) students were not reported.

Failure to report accurate student enrollment status changes to the NSLDS could prevent eligible students from receiving federal financial assistance in the future. Further, reporting inaccurate data could affect decisions made by the federal government regarding the effectiveness of financial assistance programs.

According to College management, the errors occurred because personnel omitted an enrollment status change report submission in May 2022 and no independent verification was in place to detect the omission.

Federal regulations<sup>1</sup> require the College to accurately report student status changes to the NSLDS.

*Federal Award Information:* Federal Awarding Agency: U.S. Department of Education; Assistance Listing Number (title): 84.063 (Federal Pell Grant Program); Federal Award Identification Number (award period): P063P211966 (July 1, 2021 – June 30, 2022).

*Recommendation:* College management should implement monitoring procedures, such as an independent verification, to ensure all enrollment status change reports are submitted to NSLDS.

*Views of Responsible Officials of the Auditee:* See page 4 for Western Piedmont Community College's response to this finding.

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<sup>1</sup> 34 CFR 690.83(b)(2).



OFFICE OF THE PRESIDENT

November 9, 2022

The Honorable Beth A. Wood, State Auditor  
Office of the State Auditor  
2 South Salisbury Street  
20601 Mail Service Center  
Raleigh, North Carolina 27699-0600

Dear Auditor Wood:

We are providing the written response for the finding identified in connection with your audit of the major federal programs of the State of North Carolina for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). A response has been prepared for the audit finding below.

**Enrollment Status Reporting Errors**

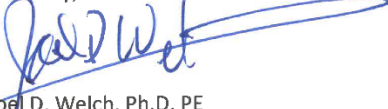
**OSA Recommendation:** College management should implement monitoring procedures, such as an independent verification, to ensure all enrollment status change reports are submitted to NSLDS.

**Agency Response:** WPCC agrees with the finding and recommendation.

The Enrollment Reporting schedule in the College Registrar's Office has been updated to ensure that reporting of student enrollment information occurs every month. Enrollment Reports will be shared with the Financial Aid Office to confirm monthly updates in NSLDS. This procedure will ensure that the College submits all student status changes on a monthly basis.

Dr. Tou Vang, WPCC Registrar, is responsible for implementing the corrective action. The Enrollment Reporting schedule has been updated effective November 7, 2022.

Sincerely,



Joel D. Welch, Ph.D, PE  
President

# ORDERING INFORMATION

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For additional information contact the  
North Carolina Office of the State Auditor at:

**919-807-7666**



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This audit required 225.5 hours at an approximate cost of \$27,060.