



A REPORT
TO THE
ARIZONA LEGISLATURE

Financial Audit Division

Full-Time Equivalent Student Enrollment Report

**Arizona County
Community College
Districts and Colleges of
Qualifying Indian Tribes**

Year Ended June 30, 2007



Debra K. Davenport
Auditor General

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Arizona County Community College Districts and
Colleges of Qualifying Indian Tribes
Full-Time Equivalent Student Enrollment Report
Year Ended June 30, 2007

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DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

Independent Auditors' Report

Members of the Arizona State Legislature

Presidents and Chancellors of Arizona
County Community College Districts
and Colleges of Qualifying Indian Tribes

We have audited the accompanying Full-Time Equivalent Student Enrollment Report for Arizona county community college districts and colleges of qualifying Indian tribes for the year ended June 30, 2007. This report is the collective responsibility of the managements of the county community college districts and colleges of qualifying Indian tribes. Our responsibility is to express an opinion on the Full-Time Equivalent Student Enrollment Report based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Full-Time Equivalent Student Enrollment Report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the report. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Full-Time Equivalent Student Enrollment Report. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Full-Time Equivalent Student Enrollment Report was prepared to present the basic actual, additional short-term and open entry/open exit, adult basic education, and skill center classes' full-time equivalent student enrollment for county community college districts and colleges of qualifying Indian tribes in accordance with the criteria for calculating student enrollment prescribed by Arizona Revised Statutes §15-1466.01.

In our opinion, the Full-Time Equivalent Student Enrollment Report referred to above presents fairly, in all material respects, the county community college districts' and colleges of qualifying Indian tribes' full-time equivalent student enrollment for the year ended June 30, 2007, in conformity with the criteria prescribed by Arizona Revised Statutes §15-1466.01.

This report is intended solely for the information and use of the addressees and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Dennis L. Mattheisen, CPA
Financial Audit Director

October 12, 2007

Arizona County Community College Districts and
Colleges of Qualifying Indian Tribes
Full-Time Equivalent Student Enrollment Report
Year Ended June 30, 2007

	<u>Full-Time Equivalent Student Enrollment</u>				<u>Total</u>
	<u>Basic Actual</u>	<u>Additional Short-Term and Open Entry/ Open Exit</u>	<u>Adult Basic Education</u>	<u>Skill Center</u>	
County Community College Districts:					
Cochise	2,134	4,622	88		6,844
Coconino	1,774	258	20		2,052
Gila	639	114			753
Graham	1,977	419	5		2,401
Maricopa	49,846	17,296	1,692	727	69,561
Mohave	2,246	620			2,866
Navajo	1,886	418			2,304
Pima	13,835	4,649	1,092	231	19,807
Pinal	2,514	1,309			3,823
Yavapai	2,860	700	56	2	3,618
Yuma/La Paz	<u>3,365</u>	<u>786</u>	<u>79</u>	<u>49</u>	<u>4,279</u>
Total County Community College Districts	<u>83,076</u>	<u>31,191</u>	<u>3,032</u>	<u>1,009</u>	<u>118,308</u>
Tribal Colleges:					
Diné College	886	166			1,052
Tohono O'odham	<u>63</u>	<u>29</u>			<u>92</u>
Total Tribal Colleges	<u>949</u>	<u>195</u>			<u>1,144</u>
Total FTSE	<u>84,025</u>	<u>31,386</u>	<u>3,032</u>	<u>1,009</u>	<u>119,452</u>

See accompanying notes to report.

Arizona County Community College Districts and
Colleges of Qualifying Indian Tribes
Notes to Full-Time Equivalent Student Enrollment Report
Year Ended June 30, 2007

Note 1 - The Full-Time Equivalent Student Enrollment Report (FTSE) is used to allocate state appropriations among the various Arizona county community college districts in accordance with Arizona Revised Statutes (A.R.S.) §15-1466. In addition, the report is used to allocate revenues collected under A.R.S. §§42-5010(G) and 42-5155(D) to the districts and to the community colleges that are owned, operated, or chartered by a qualifying Indian tribe in accordance with A.R.S. §42-5029. Provisional community college districts, such as Gila County Community College District, are not eligible to receive revenues collected under A.R.S. §42-5029.

Note 2 - The dual enrollment FTSE was included in the districts' total FTSE counts and represents the dual enrollment FTSE reported by the districts for the year ended June 30, 2007. Dual enrollment represents the FTSE of those students enrolled in the districts' sponsored courses that count toward both high school and college graduation requirements. These courses were taught at participating high schools, as provided for in A.R.S. §15-1821.01. A summary of the districts' total FTSE classified as dual and nondual enrollment follows:

Full-Time Equivalent Student Enrollment

	Dual Enrollment	Nondual Enrollment	Total FTSE
County Community College Districts:			
Cochise	99	6,745	6,844
Coconino	217	1,835	2,052
Gila	65	688	753
Graham	48	2,353	2,401
Maricopa	3,089	66,472	69,561
Mohave	116	2,750	2,866
Navajo	288	2,016	2,304
Pima	175	19,632	19,807
Pinal	23	3,800	3,823
Yavapai	117	3,501	3,618
Yuma/La Paz	<u>7</u>	<u>4,272</u>	<u>4,279</u>
 Total County Community College Districts	 <u>4,244</u>	 <u>114,064</u>	 <u>118,308</u>
Tribal Colleges:			
Diné College		1,052	1,052
Tohono O'odham	<u>5</u>	<u>87</u>	<u>92</u>
Total Tribal Colleges	<u>5</u>	<u>1,139</u>	<u>1,144</u>
Total FTSE	<u>4,249</u>	<u>115,203</u>	<u>119,452</u>

Schedule of Audit Findings

Arizona County Community College Districts and
Colleges of Qualifying Indian Tribes
Full-Time Equivalent Student Enrollment Report
Schedule of Audit Findings
Year Ended June 30, 2007

Districts and Colleges should adopt formally written full-time equivalent student enrollment accounting policies and procedures

The Full-Time Equivalent Student Enrollment Report provides student attendance information that is used in determining state funding, so it is essential that this information be consistently and accurately prepared. This report is used to allocate state appropriations among the various Arizona county community college districts in accordance with Arizona Revised Statutes (A.R.S.) §15-1466 and to allocate revenues collected under the authority of A.R.S. §§42-5010(G) and 42-5155(D) to the districts and to the community colleges that are owned, operated, or chartered by a qualifying Indian tribe in accordance with A.R.S. §42-5029.

The criteria for calculating student enrollments and recordkeeping requirements prescribed by A.R.S. §§15-1466.01 and 15-1466.02 provide only limited guidance for the various Arizona county community college districts and colleges of qualifying Indian tribes leaving considerable discretion in the interpretation in determining full-time equivalent student enrollment. Furthermore, the districts and colleges of qualifying Indian tribes have not implemented effective and uniform written full-time equivalent student enrollment accounting policies and procedures. Consequently, auditors noted the following inconsistencies and errors during the audit:

- Basic actual 45th-day class rosters were not always retained to provide evidence of certification by a professor or instructor.
- Additional short-term and open entry/open exit student enrollments were not always supported by registration records that showed students were enrolled, paid, and began classes during the fiscal year.
- Skill center and adult basic education course records were not always retained to support the actual clock hours attended by students, or vocational education training records did not document the program's completion.
- Dual-enrollment student records did not always include documentation to verify the statutory requirement that 75 percent of all dual enrollment students were high school juniors or seniors.
- The detailed information of the full-time student equivalents provided to the auditors in an electronic format, was not always accurate and complete. As a result, totals obtained from the detailed records did not reconcile to the totals reported in the certified report used as the basis for preparing the Full-Time Student Enrollment Report.

Also, the records maintained by the community colleges have and continue to be more dependent on information technology systems. For example, almost half of the colleges now substantially approve the 45th day rosters electronically. As such, increased reliance must be placed on the general and program controls related to FTSE reporting.

Arizona County Community College Districts and
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To improve the accuracy and consistency of full-time equivalent student enrollment reporting, the districts and colleges of qualifying Indian tribes should establish and follow written policies and procedures that include the following:

- Document the institution's interpretation of applicable statutory requirements and procedures used in preparing attendance reporting and complying with statutory requirements.
- Ensure basic actual 45th-day class rosters are certified by each professor or instructor and that the information contained on the class roster accurately reflects those students who are enrolled and participating.
- Monitor and review the underlying records used to support the full-time equivalent student enrollment report.
- Develop procedures to retain records used in calculating full-time equivalent student enrollment reporting. This would include investigating and resolving any differences between the certified reports of full-time equivalent students and the electronic reports provided to the Auditor General.
- Establish general and program change controls related to information technology systems used in preparing the full-time equivalent student enrollment report. This is essential for institutions using electronic format.