



Ad Hoc Report

Prepared for Northwest Commission on Colleges and Universities

Dawson Community College

March 1, 2017

Table of Contents

Introduction	
Response to Recommendation 2.....	1
Response to Standard 5.B.1	6
Response to Standard 5.B.3	9
Conclusion	12
Appendix A: Monitoring Chart.....	13
Appendix B: Annual Planning Cycle	14

Introduction

Dawson Community College (College) received a letter from the Northwest Commission on Colleges and Universities (Commission) dated July 18, 2016. In that letter, the Commission stated that the College is now substantially in compliance with Recommendation 2 and Standards 5.B.1 and 5.B.3 but in need of improvement. The Commission requested that the College again address Recommendation 2 of the Spring 2015 Year Seven Peer-Evaluation Report as well as Standards 5.B.1 and 5.B.3 in an Ad Hoc Report. This report is to be submitted by March 1, 2017.

Response to Recommendation 2

The evaluation committee recommends that Dawson Community College take immediate steps necessary to address a material weakness of internal controls related to account reconciliation that has been cited in biannual financial audits since 2011 and an annual audit in 2014 (Eligibility Requirement 19 and Standard 2.F.4)

The College ensures timely and accurate financial information through its use of an appropriate accounting system that follows generally accepted accounting principles and through its reliance on an effective system of internal controls.

In the Spring 2016 Ad Hoc Report, the College explained recent history in addressing internal controls. Below is a summary to provide context in relation to the update of further actions taken during the last fiscal year.

Under the direction of the Montana Office of the Commissioner of Higher Education (OCHE), the College began the process of implementing the SunGard Banner Ellucian (Banner) integrated database in 2010. With inadequate planning and implementation strategies, major glitches in software technology, employee turnover, and limited resources, an implementation that was expected to be completed by July 2011 extended into Fiscal Year 2014. Due to challenging implementation, FY 2011 and 2012 audits were delayed. When finally completed and presented to the state, these biannual audits received multiple material weakness comments dealing with account reconciliations, internal controls and recording of fixed assets. Owing to these hardships, the effectiveness of the College's business department operations were less than optimal. This created a culture where internal controls were not being followed due to lack of training and leadership and/or due to controls that were in place but not updated or implemented properly.

Accordingly, in late 2013, the College began a reorganization and in the process an independent accounting firm was brought in to complete financial reconciliations up to June 2013, analyze internal controls, and make recommendations for improvement. As a result, many processes were revised, updated, and implemented. Job descriptions were reviewed and updated, and training occurred within the business office on documentation requirements and on how to recognize and correct errors in the finance module of Banner. In addition, the Business Department conducted campus-wide training on accessing financial and budget information. Documenting daily processes was a focus for many of the business office and human resources personnel during FY 2015. This focus was included in many of the outcomes in the Institutional Effectiveness Plans (IEPs) created for FY 2015 and 2016. In addition to improving daily operating procedures, the administration focused on providing more timely and accurate information to the Board of Trustees.

Progress in Fiscal Years 2016 and 2017

The College continues to improve efforts to provide timely and accurate financial information, whereas all departments are assessing their operations and making improvements based on this data.

Regular Updates provided to the Board of Trustees

In an effort to ensure that the Board of Trustees is properly notified of actual expenditures, the Vice President of Administration provides general fund quarterly updates to the Board of Trustees Finance Committee and during Board meetings. This allows trustees to be aware of expenditures and to ask appropriate questions.

Campus-Wide Training

The Business Department continues to provide semesterly training for College employees, which covers navigating Banner, purchasing policies, documentation requirements, and accessing financial information. The trainings have been found to be beneficial as they have created a culture of shared governance and employee ownership. Faculty and staff are an important component of internal controls, and both are not only encouraged but expected to track their financial resources and to notify the business office of potential errors in a timely manner throughout the fiscal year.

Budget

The budget process continues to improve as the College transition moves forward. Prior to FY 2014, the budget provided to employees, Board of Trustees, and the public was a summarized document, with little detail or explanation and little time for comment or input. Each year since, the Vice President of Administration has striven to create a more flexible document that allows input from multiple sources and provides valuable information throughout the year.

The budget process begins in February of each year, when faculty and staff begin to prepare budget requests for the coming year. Requests are tied to the College's Strategic Plan and must be approved by supervisors. Faculty and staff are also asked to submit capital equipment and improvement requests, which are then summarized and presented to the Budget Committee for approval. This past year, the public was notified in early July that the budget was available for viewing and input, and required public hearings were held on increasing mill levies. The Board of Trustees Finance Committee reviewed and provided input before the budget was submitted for initial review by the Board in June and then finally approved in July. In the end, faculty, staff, the Board, and the public were allowed time to review and to provide input into the budget.

The final FY 2017 budget approved by the Board of Trustees was a thorough document describing the College's mission and core themes, tuition, fees, enrollment trends, discussions of progress made in various areas during FY 2016, and detailed descriptions of what was included in budgeted amounts. Thus, the document has proven to be a useful reference tool throughout the fiscal year. Going forward as the process continues to develop and improve, more detail will be

included regarding information on long-term debt, auxiliary funds, mandatory fees, and course fees. It is the administration's objective to consistently develop and provide a budget document that clearly defines the fiscal goals of the College for the upcoming year.

Policies and Procedures

The College has increased focus on policies and procedures to improve internal controls and assure achievement of objectives through operational efficiency. Part of this new focus includes improving college procedures when complying and implementing Board policies. Academic and Administrative Services are working with various supervisors to create and/or update Board policy and College procedures. Supervisors were asked to identify and document responsibilities, timelines, and specific processes to address internal controls in their area. New and updated policy drafts were presented by various departments during the spring 2017 in-service meeting.

Information Technology presented an updated College User policy, and new procedures were introduced which address proper use of technology, software, and hardware by students, employees, and community members. A new password procedure was introduced that includes a pop-up message notifying users of proper use of information technology. These policy and procedure internal controls protect the College's physical and financial resources.

Human Resources presented a newly updated Organizational Chart, distributed to inform employees of how they fit in the organization but also to inform faculty and staff of supervisory responsibilities for signing vouchers and timecards. Updated hiring and onboarding procedures include updating job descriptions, salary review, and budget approval prior to a position being posted. The onboarding procedures include timely steps throughout a new employee's first year that provide access to appropriate information needed to complete job responsibilities, adequate and reinforced training, discussions over College policies and procedures and performance reviews at three and six months of employment. Considering that salaries and benefits are over 70 percent of the College's operating budget, improving and implementing internal controls to monitor these operations was an important step.

After inviting input from faculty and staff, these policies were presented to the Board of Trustees Policy Committee, who has since reviewed and recommends passage of said policies at the February 2017 Board Meeting. Going forward, more policies and procedures will be documented and implemented in a similar manner.

Personnel and Position Changes

Full-time faculty and staff were reduced in FY 2016 due to lagging enrollment and budget cuts. Although needed, the reductions were difficult for students, faculty, staff, and the community. Concurrently, administration and staff experienced significant turnover in personnel including a new College President and changes in the Information Technology, Human Resources, Business, Financial Aid, and Housing departments. While the reorganization allowed for updating job descriptions and revitalizing department functions, the many new faces in multiple departments created challenges in maintaining smooth operations and completing necessary monthly procedures.

The Business Department reallocated job duties from four positions into three. This combined with cross-training allows for smoother efficiencies and improvement of internal controls. With two of the three personnel in the department hired within the last six months, the business department is challenged by learning day-to-day responsibilities and completing regular, timely month-end procedures.

To date, all College job descriptions have been reviewed and updated, formatted consistently to follow labor laws, and placed on a shared drive where all employees can view them. Job descriptions are reviewed annually during evaluations and before vacant positions are posted. Current and updated job descriptions allow the College to perform more effectively and comply with laws, regulations and policies.

Financial Aid

An area of weakness in internal controls has been identified and rectified in Financial Aid during the past year. Due to the College's size, many departments are run by one person. While this allows a person to experience the wide range of responsibilities in an area, it also creates issues in addressing internal controls when turnover occurs. In June 2015, the Financial Aid Director retired after 26 years. It quickly became evident that the new director was overwhelmed, and a consultant with several decades of financial aid experience was brought in. A new director took over in June 2016. This new director has multiple years' experience in Financial Aid, continues to use the consultant as a resource, and has been encouraged to attend Financial Aid training annually to stay up-to-date on changing regulations and to improve network contacts. Moreover, it has been determined that, due to the complexities of financial aid, another position needs to be added to the department to address internal controls and to ensure compliance with separation of duties, knowledge of College processes and procedures, and ability to address student need. This position has been added to the budget and is anticipated to be in place in the fall of 2017.

Human Resources

A Director of Human Resources was hired in May 2016. In an effort to address internal controls, the director has been tasked with updating the employee handbook, creating and implementing hiring, onboarding, and termination processes, invoking a culture of safety and awareness on campus, building trust with collective bargaining unit members, and improving employee morale.

While some progress has been made, day-to-day clerical duties are prohibiting the Director from diving into larger responsibilities. As with Financial Aid, therefore, it has been determined that an additional position is required in this department. Additional personnel will allow the Director to work on the employee handbook, continue to implement new processes and procedures, and improve morale on campus. The Human Resource Assistant position is expected to be filled by the end of April 2017.

Audit

The College works collaboratively with an independent auditor selected at the State level. The Montana Legislative Audit Division selects independent auditors for the community colleges based on the results of a competitive bid process. Once the audit draft is completed by the independent accounting firm, it is reviewed and approved by the State Legislative Audit Division. Following this initial review, it is forwarded to the Montana Legislative Audit Committee for additional review and approval. Once approved, the audit is presented to the DCC Board of Trustees for final approval.

Audit fieldwork for the FY 2016 was conducted in November 2016, a significant improvement over previous audit cycles. The majority of the closing entries were completed, and supporting documentation was provided for all balances. All reconciliations have been provided to the auditors to date; however, this has not been done in a timeline administration is comfortable with. The auditors should be able to submit a draft for consideration to the Legislative Audit Division by February 28, 2017. The audit draft is still in the approval process and therefore cannot be attached to this report.

It is disappointing to note that one material weakness and two significant deficiencies are expected to be noted on the audit. The material weakness deals with the challenges in the financial aid department. During audit tests, the auditors found two issues of non-compliance with Pell processes. While not financially material (the two errors netted a zero dollar difference), these indicated a compliance issue. As stated above, the College could see the challenges in the Financial Aid Department and made a personnel change. The College is adding an additional staff position to ensure that a similar situation does not occur again. The College is confident that the material weakness resulting from Financial Aid has been addressed.

Although the wording has not been finalized on the two significant deficiencies, the College expects one to again deal with internal controls on monthly reconciliations and another regarding compliance with federal grant revenue drawdowns. The many personnel changes in Business, Human Resources, and IT departments has resulted in breakdowns in monthly reconciliations. The new processes implemented in May 2015 were not firmly enough in place when new personnel took over. While day-to-day operations were accomplished, monthly reconciliations were slow to completion. To address these potential findings, the College has again hired the same accounting firm as before to begin completing monthly reconciliations, propose journal vouchers, assist in year-end closeout, and audit financial statement preparation. The College will continue to use this accounting firm until all current personnel are up-to-date on procedures and processes are able to be completed in a timely and consistent manner. Although disappointed with the potential FY 2016 findings, the College feels confident it has addressed these concerns and are again striving for a clean audit in FY 2017.

Response to Standard 5.B.1

Within the context of its mission and characteristics, the institution evaluates regularly the adequacy of its resources, capacity, and effectiveness of operations to document its ongoing potential to fulfill its mission, accomplish its core theme objectives, and achieve the goals or intended outcomes of its programs and services, wherever offered and however delivered.

The College employs multiple ways of regularly evaluating the adequacy of its resources, capacity, and effectiveness of operations to fulfill its mission, accomplish its core theme objectives, and achieve the goals or intended outcomes of its programs and services.

The mission of the College is to provide affordable and open access to quality teaching and learning. The Core Themes include:

- College Transfer Education: Provide programs and services that prepare learners for transition to and success in further degree programs
- Career & Technical Education: Provide programs and services that prepare learners for vocational and technical career entry, transition, and advancement
- College Readiness Education: Provide pre-college programs and services that prepare learners for successful transition to college
- Continuing Education & Community Service: Provide programs and services that help address the professional, social, and personal enrichment needs of the region

College Administration and the Institutional Effectiveness System (IES) assess the Strategic Plan, the Balanced Scorecard, input from IES committees, audit of financial activities, and survey data from students, alumni, personnel of the College and the community. The information gathered is used to identify areas for improvement and to develop recommendations for reallocation of resources to meet emerging needs.

The IES is a shared governance system comprised of thirteen committees¹ with members representing all internal stakeholders that continuously analyzes and assesses the College's progress toward mission and core theme fulfillment.

The Budget Planning Committee, using information from the annual audit and other IES committees, provides a framework for assessing not only the effectiveness of programs and operations, but also the sufficiency of its fiscal and physical resources.

The Enrollment Management Committee meets regularly to evaluate the attendance of college fairs and visits at high schools and on-campus. Feedback provided is used to evaluate resources

¹ Institutional Effectiveness; Academic Quality and Continuous Improvement: Teaching and Learning Excellence, Scheduling, Assessment, Enrollment Management; Administrative Quality and Continuous Improvement: Budget Planning, Systems and Processes, Marketing, Safety, Wellness, Technology.

in the department. The information is shared with the Budget Planning Committee to ensure prior strategic adjustments take place with the general budget. Feedback has been used to add a recruiting specialist position, make modifications to marketing materials, and improve processes and procedures.

Administrative Units will be in the third year of practice on completing Institutional Effectiveness Plans. The Administrative Units are responsible for the creation of their mission, goals and associated outcomes. Each year the goals and outcomes are assessed and a plan for continuous improvement created.

Faculty collect student survey and assessment data to evaluate program outcomes and determine what improvements can be made to courses and programs. An updated assessment process was implemented at the beginning of the 2016 Fall semester; faculty agree this makes for a more streamlined process and helps with the College's continuous improvement model. The updated assessment process provides guidance for:

- The development of appropriate student learning in various courses
- Assessing the degree to which students are achieving appropriate learning
- Developing a system for measuring and reporting student learning
- Assuring that the results of student learning outcomes measurement are used to improve subsequent teaching and learning activities

The survey data and assessment materials are shared with administrative units and IES committees to evaluate and determine the capacity and effectiveness of classroom capability and resources, including technology. Along with using survey and assessment data, Career and Technical programs meet with advisory committees comprised of business and industry leaders to identify current needs and trends, including knowledge, skills and abilities, supplies, equipment and regulations, as well as industry recognized credentials, to meet programming goals.

College Readiness Education evaluates adult education and institutional testing by monitoring and restructuring development education as needed. Recommendations are sent to the Teaching and Learning Excellence Committee for review and recommendation.

Workforce Development and Continuing Education works with local organizations and industry to determine professional needs. Evaluation forms are completed following workshops and trainings and analyzed for improving future workshops and trainings. Social and personal enrichment needs are considered based on outreach by community members and organizations. Local social media sites are a great resource of current wants and needs of the community. College personnel, who have many unknown talents and experience, are typically asked if they are able to teach a non-credit class before outreach is done outside of the College. The College has worked with Mid-Rivers Communications to provide basic electricity and direct current circuit training over a year. Mid-Rivers also utilizes the College's partnership with Ed2Go for

non-credit online training. The College would like to continue to expand corporate and customized training.

The Office of the Vice President of Academic Affairs continues to conduct an annual survey of all graduating students who submit a graduation application, inviting them to express their candid opinions about their educational experience at the College. The Registrar participates in annual IPEDS and College Board surveys. Data gathered using these surveys is used to determine if the College is meeting program and services outcomes. This past year, specific survey data was used to develop Key Characteristics for the College. These include:

- Low student to faculty ratio
- Career readiness educational programming
- Dedicated and friendly faculty and staff
- Seamless transferability of courses for all core classes
- Quality career and technical programs
- Up-to-date student focused library facilities
- Campus-wide WIFI along with independent computer labs and library computers
- Competitive athletic programs
- Active student government and student life programming
- Quality apartment-style housing

The College, through its governance system, carries a perpetual culture of evidence that rallies around the mission and core themes.

Response to Standard 5.B.3

The institution monitors its internal and external environments to identify current and emerging patterns, trends, and expectations. Through its governance system it uses those findings to assess its strategic position, define its future direction, and review and revise, as necessary, its mission, core themes, core theme objectives, goals or intended outcomes of its programs and services, and indicators of achievement.

Looking toward current needs and future sustainability, the College works on an annual, periodic, and ongoing basis to monitor internal and external environments to ensure viability and sustainability for mission delivery.

The Institutional Effectiveness System continues to ensure planning and response to the College's Mission and Core Themes. Any College employee, student, or stakeholder may make suggestions for improvement, raise concerns or identify changing conditions in internal and external environments. Additionally, findings from strategic planning and assessment activities are shared within the committee structure. Committees consider opportunities and threats for specific areas of College operations, and consider operational issues to determine if action is necessary. Committees will make recommendations to the Academic or Administrative Quality and Continuous Improvement Committee, who can then refer them to the Institutional Effectiveness Committee. Effectiveness of the IES is evaluated annually as outlined in the College's Planning Cycle.

This past Fall 2016 semester, the Teaching and Learning Excellence Committee identified a need for a process on proposing new courses and programs at the College. A policy, process and timeline was created for new program development, which includes an Intent to Plan and Curriculum Proposal Form. These documents have been adopted from the Montana Board of Regents so efforts are not duplicated when completing the forms that will subsequently need to be submitted to the Board of Regents. Beginning last Spring 2016 semester, the chairs of the committees meet at least quarterly to discuss any outstanding committee issues or to propose suggestions and changes to the committee structure.

The College uses the strategic planning process to monitor the internal and external environments for current and emerging patterns, trends and expectations. The Board of Trustees, faculty, staff and students provide input for the plan by attending meetings, completing surveys and sharing information with the IES committees.

The current strategic plan is a three-year plan adopted in 2015. The plan is due for the biannual review and updates will begin for the next three-year strategic plan. During the 2017 Board Retreat, the strategic plan was evaluated to create an Action Plan to lead the College towards specific goals in 2017, and beyond.

In addition to the yearly planning cycle, annual assessment provides a rich basis for monitoring of, and reaction to, internal and external trends and outcomes for strategic refinement. The College continuously and annually collects data through a college-wide assessment, an annual audit, and a Balanced Scorecard. College-wide assessment is critical for mission completion in

the efforts to obtain information about how and what students are learning, as well as the quality of faculty and their programs. In order to fulfill the mission, the College is in the process of updating and implementing a comprehensive assessment plan of activities that measures institutional data and can produce clear evidence, instructor effectiveness and institutional integrity. College-wide measures include student learning outcomes, IPEDS, Perkins, three and five year follow-up surveys, graduation and employee survey results, program review, and retention, persistence and graduation rates. The Balanced Scorecard collects data from five focus areas comprising 19 key performance indicators: these include student enrollment, retention, persistence, graduation, transfer and employment rates, continuing education and community service, and affordability and operational quality. The Balanced Scorecard is updated following each academic year.

Recognizing that one of the most common characteristics associated with high-quality career and technical education programs is close ties with business, industry, and labor, Dawson Community College cultivates synergetic relationships with industry and community stakeholders. Use of advisory committees enables our college to build technical education programs that are based on the needs of the community, industry, recognized credentials and the state of Montana. Each career and technical program is required to meet with their respective advisory committee no less than once a year.

Over the past year and a half, the College has worked closely with business and industry for the creation of a Corrosion Technology program. This program idea was proposed to the College by an industry partner. The College conducted a symposium with business partners to verify the need and conducted research of the corrosion industry. A Developing a Curriculum (DACUM) workshop with business partners and the Department of Labor Apprenticeship department was used for the creation of program courses and outcomes. The Corrosion Technology program will allow for short-term training opportunities by incorporating one semester Certificates of Technical Studies.

At the local and regional levels, Dawson Community College makes use of its community ties to adapt to community and workforce needs as they develop. The directors of Dawson County Economic Development Council and the Dawson College Foundation each have offices at the College. This provides for coordination and recommendation of services. The College is a member of both the Glendive and Sidney Chambers of Commerce. The College has members on the Job Service Employment Council (JSEC) in Glendive and have attended as a guest to the Sidney JSEC. Working through JSEC, the College has provided workforce development workshops. Job Service, an agency of the Montana Department of Labor, provides statewide employment data.

The College began dual enrollment initiatives with Sidney High School last academic year and expanded to Dawson County High School and Glasgow High School this year. To emphasize the service area the College is beginning to reach, Glasgow is 150 miles and Sidney 50 miles from Glendive.

Discussions on creating new and updated articulation agreements for transferring to colleges in and outside of Montana have been and are currently in progress. The College joined a statewide initiative called Complete College Montana that is aimed at increasing the number of Montanans who earn college degrees and certificates. This initiative is supported by Complete College America, a nationwide, non-profit effort involving an alliance of 34 other states.

Through these initiatives, the College continues to cultivate focus and relationships that will enable us to serve our community and region. Through a revitalized governance system, enhanced study of internal and external environments, and deep connection to community stakeholders, the College stands ready to assess and refine its mission, outcomes, and long-term sustainability.

Conclusion

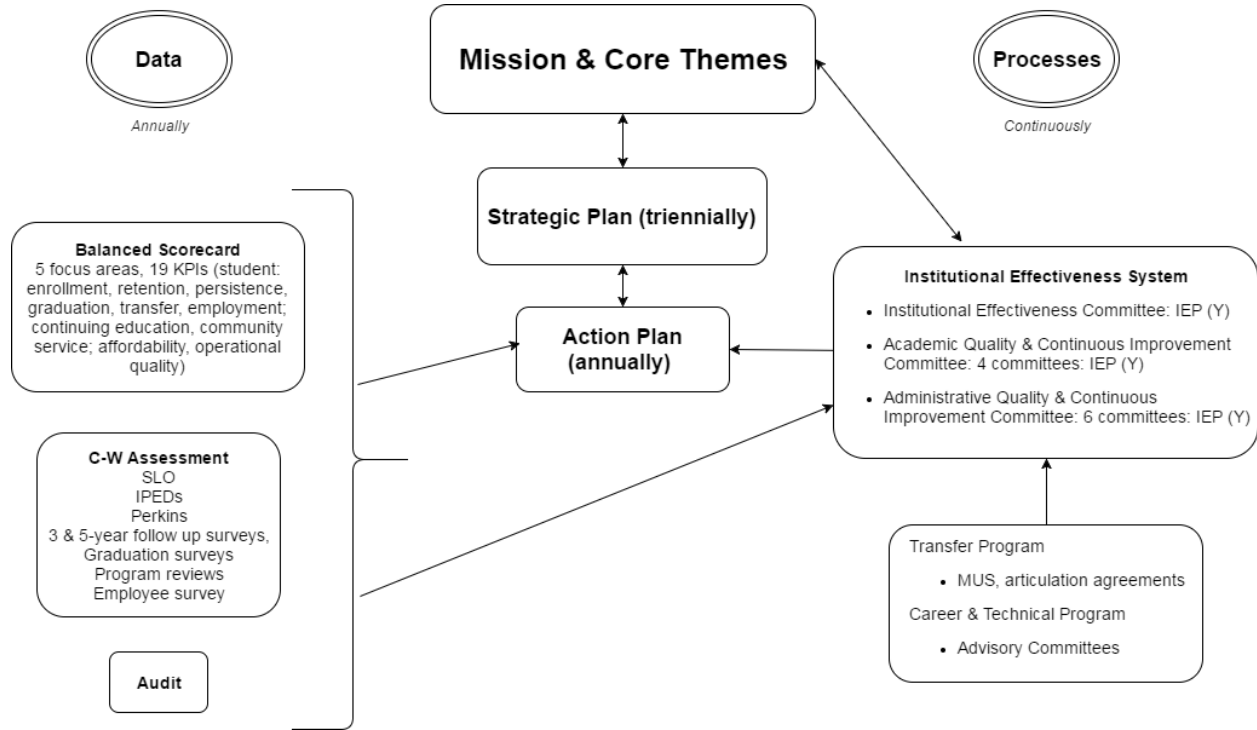
Dawson Community College continues in a period of transition that began in July 2013. There have been several personnel changes, including multiple presidents, vice presidents, assistant vice presidents and staff. This has made it difficult to maintain sustainability of policies and procedures. However, the College has recently seen consistency and with that is bringing a positive change in culture. This change includes understanding the importance of college-wide and program assessment; implementing and utilizing the Institutional Effectiveness System; and the use of data and feedback, both internally and externally from many different stakeholders, to review and revise the mission, core themes and objectives, goals or intended outcomes of programs and services, and indicators of achievement.

This Ad Hoc Report demonstrates the steps the College has taken to ensure Recommendation 2 of the Spring 2015 Year Seven Peer-Evaluation Report, as well as Standards 5.B.1 and 5.B.3 are being addressed and that the College is in compliance with NWCCU standards. The College has carried out extensive efforts to address these recommendations and standards, and although the College has made progress in these efforts, understands accreditation standards must continuously be addressed.

The administration continues to focus efforts and make improvements. Assessment, reliance on data and updating Board of Trustees policies and College procedures will continue as mechanisms to address and improve processes as the needs of the College mature. The College is committed to providing quality faculty and staff, programs and services that will better serve students and enhance Eastern Montana.

Appendix A

Monitoring Chart



Appendix B

Annual Planning Cycle

Dawson Community College Annual Planning Cycle	
Activity	Month
Office of the President complete Institutional Effectiveness Plan (IEP)	August
Cabinet members complete IEPs for each division	August
Planning Unit Managers complete IEPs for academic programs and admin units	August
Faculty members complete the planning sections of SOAPs for fall classes	August
Faculty members collect assessment data for fall classes	September - December
Administrative units collect assessment data as indicated on each unit's IEP	September - December
Faculty members complete SOAP results and planning sections for fall classes	December
Mid-Year review of planning unit IEPs and review of fall SOAPs	December – January
Faculty members complete the planning sections of SOAPs for spring classes	January
Annual Board of Trustees retreat: review state of College and progress on strategic plan objectives	January
Budget and Strategic Planning Committee and VP of Administration begin preparing budget for the next fiscal year	February
Analysis of fall data and plans for improvement by Quality and Continuous Improvement Committees	February - March
Fiscal audit for the previous year released for review	March
Board of Trustees reviews tuition and fee rates for upcoming fiscal year	March
Faculty members collect assessment data for spring classes	February - May
Planning to implement improvements for the next planning cycle	March - April
Review of the institutional effectiveness system's performance	April
Faculty members complete SOAP results and planning sections for spring classes	May
Planning unit manages complete IEPs and submit to respective Quality and Continuous Improvement Committee	May
Academic Quality and Continuous Improvement Committee identifies which courses will be assessed in the next cycle	May
Balanced Scorecard updated for academic year	July
Progress on Strategic Plan update to Board of Trustees	July
Institutional Effectiveness Committee makes recommendations to the President for the next planning cycle's IEP	August