

EXECUTIVE DIGEST

UNIVERSITY OF MICHIGAN - DEARBORN

INTRODUCTION

This report, issued in February 2002, contains the results of our performance audit* of the University of Michigan - Dearborn.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*. For audits of universities, audit selection is based on several factors, such as length of time since our last audit and legislative requirements.

BACKGROUND

The University's campus was established in 1956 through a gift from the Ford Motor Company. On September 28, 1959, the University opened as the Dearborn Center of the University of Michigan. The Center was a senior level institution offering junior, senior, and graduate level courses and degrees. In 1971, the Center became the University of Michigan - Dearborn and began offering four-year degree programs in liberal arts and sciences and graduate programs at the master's degree level. The University is one of the three campuses of the University of Michigan and operates under the policies of the University of Michigan Board of Regents. The University is a commuter campus with no on-campus student housing.

The University's mission* is to be an interactive, student-centered institution committed to excellence in teaching and learning. The University accomplishes its mission by offering undergraduate, graduate, and professional education to a diverse, highly motivated, and talented student body. The University's programs are responsive to the changing needs of society; relevant to the goals of its students and community partners; rich in opportunities for independent and collaborative study, research, and practical application; and reflective of the traditions of excellence, innovation, and leadership that distinguish the University of Michigan.

During fall semester 2000, the University enrolled 8,484 students. The University had 5,773 fiscal year equated* students during fiscal year 1999-2000.

As of November 1, 2000, the University had 247 full-time and 196 part-time faculty members, 380 full-time and 74 part-time administrative and support staff, and 642 temporary employees. For the fiscal year ended June 30, 2000, current fund revenues* were \$75.8 million (Exhibit 1) and current fund expenditures* and transfers were \$75.5 million (Exhibit 2).

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness of the University's monitoring of academic and related programs provided to students.

Conclusion: We concluded that the University was generally effective in its monitoring of academic and related programs provided to students. However, we noted reportable conditions* related to remedial mathematics courses, verbal communication of teaching

faculty, and the Program for Academic Support (Findings 1 through 3).

Noteworthy Accomplishments: In the last five years, the University initiated new undergraduate degrees in criminal justice studies, computer engineering, manufacturing engineering, software engineering, finance, and management information systems. Also, the University added new graduate degrees in automotive engineering, computer engineering, software engineering, information systems and technology, accounting, finance, liberal studies, and environmental science. Further, the University initiated several new programs, including the Institute for Advanced Vehicle Systems, the Center for Emerging Business Issues, and the Center for Arab-American Studies. All of these efforts contributed to the University's record enrollment of 8,484 students in fall semester 2000.

Audit Objective: To assess the effectiveness and efficiency of the University's use of resources allocated to support academic and related programs.

Conclusion: We concluded that the University was generally effective and efficient in its use of resources allocated to support academic and related programs. However, we noted reportable conditions related to faculty workload monitoring, minimum class size*, competitive selection, and Joint Capital Outlay Subcommittee approval (Findings 4 through 7).

Noteworthy Accomplishments: The University has added over 250,000 square feet of instructional space in the last five years, including new buildings for the College of Arts, Sciences, and Letters; the School of Management;

and the Environmental Interpretive Center as well as a major addition to the College of Engineering and Computer Science.

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the University of Michigan - Dearborn. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit procedures included examination of the University's records and activities primarily for the period July 1, 1998 through May 31, 2001.

We evaluated the University's policies and procedures relating to the admissions process and student academic progress*. We examined the University's methods for ensuring the quality of its academics and assessed the efficiency of the University's use of resources.

We determined the University's compliance with selected State and University policies and procedures regarding State and non-State funded capital construction and renovation projects.

AGENCY RESPONSES

Our audit report includes 7 findings and 8 corresponding recommendations. The University's preliminary response indicated that it is generally in agreement with the findings and recommendations.