



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit
Selected Community Colleges' Reporting of
Activities Classification Structure Data

Report Number:
64-500-06

Released:
October 2006

The activities classification structure (ACS) was developed in response to Section 8, Act 419, P.A. 1978. Also, uniform data reporting requirements were developed for use in making State budget and appropriation decisions. Act 117, P.A. 1984, provided for a funding formula, based on ACS data, to be used to determine State aid for each community college. The Department of Labor and Economic Growth (DLEG) is responsible for the collection and analysis of certain ACS data.

Audit Objective:

To assess whether community colleges reported ACS data to DLEG in accordance with the provisions of the annual appropriations act for community colleges (Act 154, P.A. 2005), the ACS Manual 2003 for Michigan Community Colleges (ACS Manual), the Manual for Uniform Financial Reporting of Michigan Public Community Colleges (MUFR), and DLEG's annual instructions.

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Audit Conclusion:

We concluded that the selected community colleges generally did not report ACS data to DLEG in accordance with the provisions of the annual appropriations act for community colleges (Act 154, P.A. 2005), the ACS Manual, MUFR, and DLEG's annual instructions.

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Material Conditions:

Eight colleges did not accurately report occupational contact hour data on their ACS 6 reports, including four colleges that

materially overstated their reported occupational contact hours (Finding 1).

Two colleges did not maintain documentation to support the accuracy of course enrollment data reported on their ACS 6 reports in accordance with Act 154, P.A. 2005, and DLEG's annual instructions (Finding 2).

Seven colleges did not accurately report ACS 3 expenditure data in accordance with the ACS Manual and DLEG's annual instructions (Finding 3).

One college did not report student headcount and contact hour data on its ACS 6 reports in accordance with the ACS Manual and DLEG's annual instructions (Finding 4).

Five colleges reported data for ineligible courses to DLEG on their ACS 6 reports (Finding 5).

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Reportable Conditions:

Our audit also disclosed reportable conditions related to expenditure reporting on ACS 3 reports, reporting of local financing, activity measures for energy and water costs, activity measures for physical plant, instructional activity classification, course contact hours, and seminar and conference course data (Findings 6 through 12).

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Agency Responses:

Our audit report includes 12 findings and 12 corresponding recommendations. We discussed our audit findings with the management of each community college. The community colleges' responses indicated general concurrence with our findings.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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