

## EXECUTIVE DIGEST

### ADULT EDUCATION PROGRAM

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#### **INTRODUCTION**

This report, issued in April 1997, contains the results of our performance audit\* of the Adult\* Education Program, Department of Education.

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#### **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\*.

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#### **BACKGROUND**

Article 8, Section 3 of the State Constitution vests in the State Board of Education the leadership and general supervision over all public education, including adult education. The Adult and Community Education Unit, Bureau of Instruction, Department of Education, is responsible for administering the Adult Education Program in accordance with the State School Aid Act\* of 1979 (primarily Sections 388.1707(e), 388.1707(f), and 388.1708 of the *Michigan Compiled Laws*).

The Program's mission\* statement stated that all Michigan citizens would have equal access to a high quality Adult Education Program. The mission statement also stated that specific instruction provided would be based on the ability and knowledge level of each participant\* in order to help the participant reach his/her goals in terms of knowledge, employment, and quality of life.

The Adult and Community Education Unit is responsible for determining funding allocations and for ensuring that Program providers (school districts\*) meet State and federal regulations. The Department distributes State school aid to Program providers based on membership\* counts as reported by the school districts and audited by the intermediate school districts (ISD's). The Department develops and implements policies and procedures pertaining to the reporting and auditing of memberships, and it conducts a limited number of membership audits.

The Program's overall objective is to have participants complete any one or a combination of the Program's five instructional components\*: Adult High School Completion, General Educational Development Test Preparation, Adult Basic Education, English as a Second Language, and Alternative Education. School districts, either individually or organized in consortia\*, provide the Adult Education Program.

Primary funding for the Program's five components is from the State School Aid Fund\* based on a structured participant count and the foundation allowance\* of the school district operating a Program, subject to funding limitations.

For the fiscal year\* ended September 30, 1995, the Unit expended approximately \$130,000 to administer the Program and distributed approximately \$185.0 million to Program providers. As of June 30, 1996, the Unit had two full-time equated employees allocated to administer the Program.

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**AUDIT  
OBJECTIVES,  
CONCLUSIONS,  
AND  
NOTEWORTHY  
ACCOMPLISHMENTS**

**Audit Objective:** To assess the effectiveness and efficiency of the Adult Education Program in accomplishing its overall objective\*.

**Conclusion:** We concluded that the Adult Education Programs conducted by some school districts were effective and efficient in accomplishing the Program's overall objective. However, our assessment disclosed two material conditions\*:

- The Department had not established a continuous quality improvement process\* to monitor and improve the effectiveness of the Program (Finding 1).

The Department responded that it agreed with the finding and will comply if Program funding is restricted to Adult Education Programs and sufficient resources are provided to implement the recommendation.

- The State's Program funding methodology was predominantly based on participant enrollment and attendance rather than Program outcomes\* (Finding 2).

The Department responded that it agreed with the finding and would recommend changes in the Program's funding methodology.

In addition, we noted other reportable conditions\* involving Program performance data, Adult High School Completion needs assessments, and vocational education\* training (Findings 3 through 5).

**Noteworthy Accomplishments:** Some of the school districts that we visited had taken an initiative in demonstrating the success of their Programs by developing

testing methodologies that linked the improvement in participant skills with the instruction provided. To help increase participant attendance and accomplishments, many of the school districts visited also had implemented innovative methods of adapting their Program operations to meet the needs of their participants.

**Audit Objective:** To assess Adult Education Program provider compliance with provisions of State and federal laws and regulations that could have a material effect on the Department's administration of the Program.

**Conclusion:** We concluded that Adult Education Program providers generally complied with provisions of State and federal laws and regulations that could have a material effect on the Department's administration of the Program. However, we noted one material condition:

- The Department's internal control structure\* did not always ensure that school district Programs complied with State School Aid Act provisions (Finding 6).

The Department responded that it agreed with the finding and, to the extent that additional funding is made available, it will dedicate additional staff time to audits and reviews of Program compliance and reporting.

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**AUDIT SCOPE  
AND  
METHODOLOGY**

Our audit scope was to examine the program and other records of the Adult Education Program. The audit scope primarily included the examination of participant files and other records of 10 school districts. 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.

To accomplish our first audit objective, we interviewed Adult Education Program staff, including staff at the Department of Education and staff at 10 school districts (see Exhibit 1). We examined documentation supporting reported district memberships and observed district operational practices. We analyzed the relationship of the Program's funding methodology and its effect on Program outcomes. We selected a random sample of Program participants and studied Program progress and accomplishments. We evaluated the Department's Program data collection methods and assessed the accuracy of the data collected. We surveyed a random sample of Program participants to collect stakeholder input on the effectiveness of the Program. We compiled data from district records to compare school district operations.

To accomplish our second audit objective, we assessed school district compliance with applicable statutes, policies, and procedures regarding the determination and reporting of memberships and Program accomplishments. We obtained and inspected Department and ISD compliance reviews of the school districts.

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**AGENCY  
RESPONSES**

Our audit report contains 6 findings and 9 corresponding recommendations. The agency's preliminary response indicated that it agreed with 8 of the recommendations and disagreed with 1.