

## EXECUTIVE DIGEST

# CENTRAL MICHIGAN UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM

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### INTRODUCTION

This report, issued in October 1997, contains the results of our performance audit of the Intercollegiate Athletics Program (IAP) at Central Michigan University.

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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\*. For audits of universities, audit selection is based on several factors, such as length of time since our last audit and legislative requirements. Section 808(1), Act 312, P.A. 1994, mandates that the Auditor General audit the intercollegiate athletic programs at public universities.

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### BACKGROUND

Central Michigan University was established in 1892 and is a comprehensive public university dedicated to providing a broad range of educational programs and services to its students. The University is also one of the largest teacher preparation institutions in the nation.

The audit, mandated by Act 312, P.A. 1994, is required to include an examination of revenues and expenditures, internal controls, disclosure of outside income for athletics staff, and the athletics program mission\*. In addition, the audit is to report on the number of student athletes and the number and amount of scholarships and other financial

assistance provided to student athletes. Our report includes this unaudited information in the exhibits presented as supplemental information.

The University is a Division I-A member of the National Collegiate Athletic Association\* (NCAA) and a member of the Mid-American Athletic Conference\*. The IAP consists of men's baseball, basketball, cross country, football, indoor and outdoor track and field, and wrestling and women's basketball, cross country, field hockey, gymnastics, softball, indoor and outdoor track and field, and volleyball. For academic year 1995-96, 258 male and 132 female students were involved in intercollegiate athletic programs. IAP fiscal year 1995-96 revenues and expenditures each totaled \$5.7 million.

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AUDIT OBJECTIVE,  
CONCLUSION, AND  
NOTEWORTHY  
ACCOMPLISHMENTS

**Audit Objective:** To assess the University's methods for monitoring the IAP's achievement of its mission.

**Conclusion:** We concluded that the University's methods for monitoring the IAP's achievement of its mission were generally effective. However, we noted audit findings related to purchasing policy (Finding 1) and indirect cost allocation (Finding 2).

**Noteworthy Accomplishments:** In January 1996, the University concluded an athletics program self-study which was evaluated by a five-member external peer review team and subsequently received full certification status from the NCAA.

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AUDIT SCOPE AND  
METHODOLOGY

Our audit scope was to examine the program and other records of Central Michigan University's Intercollegiate Athletics Program. 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 covered the University's IAP records and activities for the period July 1, 1994 through November 30, 1996. To accomplish our objective, we examined policies and procedures related to the IAP. Also, we analyzed information, primarily used for National Collegiate Athletic Association (NCAA) and Mid-American Conference (MAC) reporting, which provides performance information related to our audit objective, such as graduation rates, freshmen admissions, academic progress, and gender equity. For a random sample of student athletes, we tested eligibility requirements and noted academic progress. We assessed the internal control structure\* related to athletic aid\*, athletic revenues and expenditures, and disclosure of outside income.

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**AGENCY RESPONSES**

Our audit report contains two findings and recommendations. The agency preliminary response indicated that the University agreed with our findings and that it has implemented the recommendations.