

EXECUTIVE DIGEST

SAGINAW VALLEY STATE UNIVERSITY

INTRODUCTION	This report, issued in December 1997, contains the results of our performance audit of Saginaw Valley State University.
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.
BACKGROUND	The University was originally established in November 1963. In November 1965, it became a State-supported institution and was granted university status in 1987.

The University's mission* statement states that:

The primary mission of Saginaw Valley State University is to provide opportunities for individuals to achieve intellectual and personal growth. A concurrent mission is to develop individuals' potential to provide

leadership and professional skills for the civic, economic and cultural well-being of the region, state and society. The university also exists to serve as a cultural and intellectual resource dedicated to the development, acquisition, and dissemination of knowledge.

In support of the educational mission, the Department of Intercollegiate Athletics' mission states that the principal goal of the athletics programs ". . . is to teach the lessons and values that can be learned through competitive athletics, both for the benefit of participating students and spectators."

The University is a Division II member of the National Collegiate Athletic Association* (NCAA), the Great Lakes Intercollegiate Athletic Conference, and the Midwest Intercollegiate Football Conference. University intercollegiate athletic programs consist of men's baseball, basketball, football, golf, soccer, and track/cross country and women's basketball, soccer, softball, tennis, track/cross country, and volleyball. For academic year 1995-96, 251 male and 84 female students were involved in intercollegiate athletic programs.

This audit includes an examination of revenues and expenditures, internal controls, disclosure of outside income, and the athletic program mission, as mandated by Act 312, P.A. 1994. In addition, Act 312 mandates that these audits 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 information in the exhibits presented as supplemental information.

The University reported more than 7,000 students enrolled per academic year during the period covered by our audit. Approximately 99% of these students were Michigan residents.

Fiscal year 1995-96 current fund (general, designated, auxiliary activities, and expendable restricted) revenues were \$48.0 million (Exhibit 1) and expenditures and net transfers were \$47.3 million (Exhibit 2). As of September 30, 1996, the University employed 766 persons, consisting of faculty, administrative personnel, and other support personnel.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness of the University's methods for monitoring student admissions, student academic assistance, student academic progress*, and student achievement.

Conclusion: We concluded that the University's methods were generally effective for monitoring the effectiveness of student admissions, student academic assistance, student academic progress, and student achievement. However, our assessment identified the following material condition* :

- The University did not enforce its basic skills requirements to ensure that students satisfied basic skills testing and course requirements (Finding 1).

The University concurred with the related recommendation. The University stated that the

Academic Orientation and Registration Programs, established in the spring of 1995, ensure placement testing and basic skills compliance for all new students.

Our assessment also identified reportable conditions* related to basic skills courses, high risk student tracking, graduate monitoring, and management information (Findings 2 through 5).

Noteworthy Accomplishments: The University received a 10-year full accreditation from the North Central Association of Colleges and Secondary Schools in November 1994.

Audit Objective: To assess the effectiveness of the University's methods for monitoring the efficient use of resources for faculty and instructional space utilization.

Conclusion: We concluded that the University's methods for monitoring the efficient use of resources were generally effective. However, we identified a reportable condition related to repetitive course enrollments (Finding 6).

Noteworthy Accomplishments: The University has effectively managed classroom utilization during a period of increasing growth. For its fall 1996 semester, the University's utilization rate for general purpose classrooms (excluding the portable classrooms that the University is phasing out) was 74%, and the University's class occupancy rate was 79%. Also, the University has recently purchased software that is intended to further assist in making classroom assignments.

Audit Objective: To assess the effectiveness of the University's methods for monitoring the intercollegiate athletic program toward the program's achievement of its mission.

Conclusion: We concluded that the University's methods for monitoring the intercollegiate athletic program toward the program's achievement of its mission were generally effective. However, we identified reportable conditions related to internal controls over travel expenditures, NCAA squad lists, and academic support services for student athletes (Findings 7 through 9).

AUDIT SCOPE AND METHODOLOGY	<p>Our audit scope was to examine the program and other records of Saginaw Valley State University. Our audit was conducted in accordance with <i>Government Auditing Standards</i> 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.</p> <p>Our audit included an examination of the University's records and activities covering the period October 1, 1994 through September 30, 1996.</p> <p>To accomplish our objectives, we examined policies and procedures and analyzed data related to the admissions process, retention and attrition trends, the student tracking system, academic progress, and developmental courses. We also analyzed the student transfer process, academic program reviews, the student outcomes assessment program, class scheduling, degree programs, classroom utilization, and faculty utilization. Further, we examined policies and procedures and analyzed information related to academic support of student athletes, and assessed the</p>
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internal control structure related to athletic aid* , athletic revenues and expenditures, and the disclosure of outside income.

AGENCY RESPONSES	Our audit report includes 9 findings and 9 corresponding recommendations. The University's preliminary response indicates concurrence and compliance with 8 of the recommendations and states that it will further investigate the remaining recommendation.
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