

EXECUTIVE DIGEST

PRIVATE COLLEGES' AND UNIVERSITIES' ENROLLMENTS

INTRODUCTION

This performance audit* covers the Michigan Higher Education Assistance Authority's (MHEAA's) administration of private colleges' and universities' competitive scholarship and tuition grant programs for the 1999-2000 fall semester, adult part-time grant and Michigan work-study programs for the 1998-99 academic period, and degree reimbursements for degrees conferred during fiscal year 1998-99.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General and was mandated by Act 93, P.A. 1999, the annual appropriations act for State institutions of higher education and certain State purposes related to education.

The purposes of our audit were to determine that grant recipients met eligibility requirements, that private colleges and universities appropriately accounted for the adult part-time grants and Michigan work-study awards, and that private colleges and universities requested reimbursement for only eligible degrees conferred.

BACKGROUND

MHEAA, through the Department of Treasury, is responsible for administering private college and university

competitive scholarships, tuition grants, adult part-time grants, Michigan work-study awards, and degree reimbursements. For the 1999-2000 academic period, the Legislature appropriated \$33.4 million for competitive scholarships and \$61.1 million for tuition grants. For the 1998-99 academic period, it appropriated \$2.6 million for adult part-time grants and \$7.3 million for Michigan work-study awards. For fiscal year 1999-2000, the Legislature also appropriated \$7.9 million for general, nursing, and allied health degrees and \$4.8 million for dental degrees conferred during fiscal year 1998-99.

AUDIT OBJECTIVES
AND CONCLUSIONS

Audit Objective: To determine whether students at selected private colleges and universities receiving competitive scholarships, tuition grants, adult part-time grants, and Michigan work-study awards met eligibility requirements stated in the enabling legislation and the appropriations act.

Conclusion: In general, students at the private colleges and universities receiving competitive scholarships, tuition grants, adult part-time grants, and Michigan work-study awards that we reviewed met the eligibility requirements.

Audit Objective: To determine whether selected private colleges and universities appropriately accounted for adult part-time grant and Michigan work-study funds.

Conclusion: The private colleges and universities that we reviewed appropriately accounted for these funds.

Audit Objective: To determine whether selected private colleges and universities requested reimbursement for only eligible degrees earned by Michigan residents.

Conclusion: The private colleges and universities that we reviewed generally requested reimbursement for only eligible degrees earned by Michigan residents.

AUDIT SCOPE

Our audit scope was to examine, at 10 of the 49 private colleges and universities, selected records supporting the competitive scholarships and tuition grants awarded for the 1999-2000 fall semester, adult part-time grants and Michigan work-study funds awarded during the 1998-99 academic period, and degrees conferred during fiscal year 1998-99 and submitted for reimbursement in fiscal year 1999-2000. 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.

The private colleges and universities included in our audit were:

- Albion College
- Baker College - Eastern Michigan
- Baker College - Jackson
- Baker College - Owosso
- Kalamazoo College
- Kettering University
- Madonna University
- Reformed Bible College
- Saint Mary's College
- Siena Heights University

We selected 10 private colleges and universities to be audited and obtained grant award, financial, and academic data from the Department of Treasury. We interviewed personnel responsible for preparing and reporting the data at

each college and university. We tested legal residency, tuition and fee rates, student accounts, financial aid and grant award data, student credit hours, class drop and add adjustments, academic progress, and degrees offered and awarded. Also, we examined college and university records related to the receipt of awards and their distribution to the students' accounts.

**AGENCY RESPONSES
AND PRIOR AUDIT
FOLLOW-UP**

MHEAA agreed with the audit exceptions noted in this report and informed us that it has followed up with the cited colleges and university.

MHEAA, in conjunction with the private colleges and universities, had complied with the prior audit recommendation and had resolved all of the audit exceptions identified in our prior audit report.