

EXECUTIVE DIGEST

GRAND VALLEY STATE UNIVERSITY

INTRODUCTION

This report, issued in June 2000, contains the results of our performance audit* of Grand 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.

BACKGROUND

The University is accredited by the North Central Association of Colleges and Schools (NCA) and conducted an academic self-study in 1999, as required by NCA. A number of the University's academic schools and programs are also accredited periodically by various accrediting bodies.

For fall semester 1999, the University had 17,452 students enrolled on and off campus. In addition to the University's main campus located in Allendale, the University offers classes in Grand Rapids, Holland, Muskegon, and Traverse City.

As of August 31, 1999, the University had approximately 482 full-time, 4 part-time, 121 visiting, and 320 temporary* faculty members. The administrative/professional staff included 342 full-time and part-time employees.

For the University's fiscal year ended June 30, 1999, current (general, designated, auxiliary activities, and expendable restricted) fund revenues were \$187.5 million (Exhibit 1) and current fund expenditures and transfers were \$186.1 million (Exhibit 2). For the State's fiscal year ended September 30, 1999, the State appropriated \$49.5 million in general funds to the University. The State also appropriated \$37.5 million during its fiscal year 1996-97 toward the construction of a new academic center at the Grand Rapids campus.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness and efficiency of the University's use of resources allocated to support academic and related programs.

Conclusion: We concluded that the University's use of resources allocated to support academic and related programs was generally effective and efficient. However, our evaluation disclosed reportable conditions* related to appointing an internal auditor, following competitive bid procedures, approving construction change orders, developing written policies and procedures, developing physical inventory controls, retaining documentation, accounting for auxiliary activities, and monitoring the food service contract (Findings 1 through 8).

Noteworthy Accomplishments: The University has carried out its administrative and academic responsibilities

with more students per staff than any of the State's other public universities. The University has had to efficiently manage its resources to remain competitive with other State universities. The University was recognized as one of America's 100 best college buys for the past four years by Institutional Research and Evaluation, Inc., a consulting firm that rates America's colleges and universities that have high academic ranking and low academic costs.

Audit Objective: To assess the effectiveness of the University's monitoring of academic and related programs provided to the students.

Conclusion: We concluded that the University's monitoring of academic and related programs provided to the students was generally effective. However, we noted reportable conditions related to faculty work load, minimum course enrollment* , repetitive course enrollments, and graduate placement statistics* (Findings 9 through 12).

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of Grand Valley State University. 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 procedures included examination of the University's records and activities primarily for the period July 1, 1996 through August 31, 1999.

We interviewed various University personnel; reviewed applicable policies, procedures, and reference materials; analyzed available data/statistics; and obtained an understanding of the University's internal control* and operational and academic activities to formulate a basis for defining the audit scope.

We evaluated the student admissions and transfer processes; the monitoring of academic progress*, including probation, dismissal, and advising; and placement into remedial courses*. We reviewed policies for withdrawing from and repeating a course and evaluated academic progress of selected students with repetitive enrollment* in the same course. We examined enrollment and graduation trends, tuition costs, graduate placement services, and graduate placement data.

We analyzed data related to class scheduling; minimum class size; classroom utilization*; and faculty utilization, including work loads, release time*, and overload* courses. We evaluated the University's monitoring of technological needs for students, faculty, and administrative staff and its monitoring of degree programs* with few graduates.

We assessed the University's compliance with State and University procedures regarding capital construction*, renovation, and maintenance projects in progress during the period July 1, 1996 through August 31, 1999. We evaluated the reasonableness of the University's allocation of operating service costs paid by the general fund to the auxiliary activities.

We determined the propriety of the University's endowment funds and whether the funds were spent in accordance with the donor's intent. We reviewed the University's monitoring and awarding of financial aid.

AGENCY RESPONSES

Our audit report includes 12 findings and 12 corresponding recommendations. The University's preliminary response indicated that it agreed with 8 recommendations, partially agreed with 2 recommendations, and disagreed with 2 recommendations. An Auditor General epilogue follows the agency preliminary response for 1 recommendation.