

## EXECUTIVE DIGEST

# MONTCALM COMMUNITY COLLEGE

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### INTRODUCTION

This report, issued in February 2001, contains the results of our performance audit\* of Montcalm Community College.

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### AUDIT PURPOSE

This performance audit was conducted under the authority of Section 204(2), Act 109, P.A. 1999 (a section of the community college appropriations act), which mandates that the Auditor General conduct not less than three performance audits of community colleges each year.

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### BACKGROUND

Montcalm Community College is a public two-year institution of higher education. The College district includes the public school districts of Carson City - Crystal, Central Montcalm, Greenville, Lakeview, Montabella, Tricounty, and Vestaburg.

The College, established in March 1965, operates under the authority of Sections 389.1 - 389.195 of the *Michigan Compiled Laws*, commonly known as the Community College Act of 1966. It is governed by a board of trustees, consisting of seven members elected at large to six-year terms.

The College's mission\* is to create a learning community in which educated and trained people contribute to the economic, cultural, and social well-being.

For the fiscal year ended June 30, 1999, the College reported current fund revenue (general, designated, auxiliary activities, and restricted funds) of \$10,769,199; expenditures and transfers of \$10,730,595; and enrollment of 913 fiscal year equated students\*.

As of August 31, 2000, the College employed 27 full-time faculty, 62 part-time faculty, and 151 full-time and part-time administrative and support personnel.

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AUDIT OBJECTIVES,  
CONCLUSIONS, AND  
NOTEWORTHY  
ACCOMPLISHMENTS

**Audit Objective:** To assess the effectiveness of the College's admission and monitoring practices to help students successfully complete their classes and programs.

**Conclusion:** The College's admission and monitoring practices were somewhat effective in helping students successfully complete their classes and programs.

Our assessment disclosed one material condition\*:

- The College should continue to actively implement and monitor the progress of its marketing plan to effectively recruit and retain credit course students (Finding 1).

Our assessment also disclosed a reportable condition\* related to developmental courses\* (Finding 2).

**Noteworthy Accomplishment:** The College maintains a student services Intranet home page that provides data related to enrollment services for staff to use to evaluate student recruitment, transition, and success. The home page provides information on registration, the College's recruitment efforts (including high school visits, career fairs, business visits, and assessment testing),

applications received by high school, enrollment counts by semester, various survey results, and current job openings for which the College's students may qualify. In addition, the home page provides data on the number of high school graduates in the College's service area that went to college and the number of those students who attend Montcalm Community College.

**Audit Objective:** To assess the effectiveness of the College's efforts to evaluate the quality of its educational programs.

**Conclusion: The College was generally effective in its efforts to evaluate the quality of its educational programs.** However, our assessment disclosed a reportable condition related to evaluation of the quality of educational programs (Finding 3).

**Noteworthy Accomplishments:** The College was first accredited by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools in 1974 and has retained its accreditation since. The College's method for evaluating the quality of education includes following an instructional services plan, analyzing student licensure and certification examination results, establishing advisory committees for its occupational programs, obtaining information through student and transfer student surveys and faculty evaluations, and soliciting feedback from former students when participating in follow-up conferences hosted by four-year institutions.

**Audit Objective:** To assess the effectiveness of the College's efforts to use its educational program resources effectively\* and efficiently\*.

**Conclusion:** The College was generally effective and efficient in its use of resources for educational programs. However, our assessment disclosed reportable conditions related to a minimum class enrollment policy and repetitive course enrollments (Findings 4 and 5).

**Audit Objective:** To evaluate the relevancy and accuracy of the capital outlay program statement for the vocational/technology facility and to assess the College's effectiveness in managing the construction of the facility.

**Conclusion:** Our evaluation disclosed that the program statement for the vocational/technology facility was somewhat relevant and accurate, and our assessment disclosed that the College effectively managed the construction of the facility. Our evaluation disclosed one material condition:

- The College should improve the accuracy and reliability of information reported in capital outlay program statements submitted to the Department of Management and Budget (Finding 6).

The College agreed with the recommendation and stated that it has implemented procedures to improve the accuracy and reliability of information reported to the Department of Management and Budget.

**Audit Objective:** To review the propriety of selected fiscal-related activities of the College.

**Conclusion:** Our review disclosed reportable conditions related to internal control and compliance with the Manual for Uniform Financial Reporting of Michigan Public Community Colleges (Findings 7 and 8).

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AUDIT SCOPE AND  
METHODOLOGY

Our audit scope was to examine the program and other records of Montcalm Community College. Our audit was conducted in accordance with *Governmental 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 financial statements of Montcalm Community College are audited annually by a public accounting firm engaged by the College.

Our review and testing of the College records and procedures was primarily for the period July 1, 1997 through June 30, 2000.

We reviewed the College's admission process, enrollment trends, and the efforts to recruit and retain students. Also, we evaluated the methods used for monitoring student progress and analyzed the academic assessment and placement process. Further, we evaluated the College's efforts to assess the quality of its educational programs. In addition, we reviewed the methods used by the College to periodically assess the job training needs of the community's employers and determined whether the College had established procedures for evaluating and obtaining accreditation of its programs.

We extracted student academic record information from the College's database for use in examining repetitive course enrollment, minimum class enrollments, and underage student enrollments. We also analyzed the College's use of classrooms and faculty.

We reviewed the program statements, planning documents, and other pertinent information related to the

construction of the College's most recent capital outlay project. Also, we reviewed the College's internal control over various accounting and cashiering functions. Further, we analyzed selected financial transactions and related issues to determine if they were in compliance with the Manual for Uniform Financial Reporting of Michigan Public Community Colleges.

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**AGENCY RESPONSES**

Our audit report contains 8 findings and 10 corresponding recommendations. The College's preliminary response indicated that it agreed with all 10 recommendations.