

EXECUTIVE DIGEST

LAKE SUPERIOR STATE UNIVERSITY

INTRODUCTION

This report, issued in February 2001, contains the results of our performance audit* of Lake Superior State University (LSSU).

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

LSSU was established in 1946 as a branch campus of the Michigan College of Mining and Technology (now Michigan Technological University). In 1966, by action of the Michigan Technological University Board of Control, the branch campus became known as the Lake Superior State College of Michigan Technological University. It became a separate institution of higher education on January 1, 1970 by Act 26, P.A. 1969. LSSU is located in Sault Ste. Marie, in Michigan's northeastern Upper Peninsula.

LSSU's mission* is to offer challenging undergraduate programs and services to students and other constituencies from its region and from the rest of Michigan, Ontario, and the near Midwest.

For fall semester 2000, LSSU had 3,008 students enrolled on the Sault Ste. Marie campus and at the four regional centers* located in Alpena, Escanaba, Petoskey, and Traverse City. LSSU had 2,709 fiscal year equated* students during fiscal year 1999-2000.

As of August 31, 2000, LSSU had 120 full-time and approximately 70 part-time and temporary faculty and 232 full-time and 27 part-time administrative and support personnel. For the fiscal year ended June 30, 2000, current fund revenues were \$39.5 million (Exhibit 1) and current fund expenditures and transfers were \$41.8 million (Exhibit 2).

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

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

Conclusion: We concluded that LSSU was generally effective in its monitoring of academic and related programs provided to students. However, we noted reportable conditions* related to academic advising and repetitive course enrollments* (Findings 1 and 2).

Noteworthy Accomplishments: LSSU was first accredited by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools in 1946, when it was a branch campus of the Michigan College of Mining and Technology (now Michigan Technological University). LSSU has retained its accreditation without interruption to the present. Also, many of LSSU's academic schools and programs are accredited periodically by various accrediting bodies.

LSSU established a formal academic program review process in October 1999. Each of LSSU's programs is required to be assessed annually. LSSU prepares the assessments to evaluate the programs' effectiveness in meeting LSSU's goals and achieving student success and to facilitate continuous improvement. The academic program review process complements LSSU's annual strategic planning process, which was established in 1994.

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

Conclusion: We concluded that LSSU was generally effective and efficient in its use of resources allocated to support academic and related programs. However, we noted reportable conditions related to regional center operations, minimum class size*, room utilization*, and cost allocations to the auxiliary activities fund (Findings 3 through 6).

Noteworthy Accomplishments: LSSU reduced tuition by 0.5% for the 2000-01 academic year. The average tuition increase for Michigan's public colleges and universities was just over 3% for the 2000-01 academic year. LSSU is the only public university in Michigan to lower undergraduate tuition in the past 10 years.

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of Lake Superior 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 LSSU's records and activities primarily for the period July 1, 1997 through August 31, 2000.

We conducted a preliminary review of LSSU operations to formulate a basis for defining the audit scope.

We evaluated LSSU's policies and procedures relating to student academic progress*. Also, we reviewed LSSU's practices relating to repetitive enrollments in the same course.

We examined LSSU's methods for ensuring the quality of its academics, including performing program evaluations. We determined the extent to which LSSU's programs were accredited.

We assessed the efficiency of LSSU's use of resources by evaluating policies and procedures and analyzing data relating to minimum class sizes; classroom utilization; and faculty utilization, including work loads, overload* courses, and release time.

We reviewed financial and other information related to LSSU's four regional centers, located in Alpena, Escanaba, Petoskey, and Traverse City. In addition, we determined whether LSSU had evaluated the potential impact on the regional centers of the elimination of the Master of Business Administration (MBA) program, which will be phased out by August 2003.

We determined LSSU's compliance with State and LSSU policies and procedures regarding capital construction and renovation projects in progress from 1998 through the completion of our fieldwork. Also, we evaluated the

reasonableness of LSSU's allocation of operating service costs paid by the general fund to the auxiliary activities.

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

Our audit report includes 6 findings and 8 corresponding recommendations. LSSU's preliminary response indicated that it agreed with all of the recommendations.

We repeated the one prior audit recommendation that was included within the scope of this audit.