

## EXECUTIVE DIGEST

# OAKLAND UNIVERSITY

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<b>INTRODUCTION</b>	This report, issued in September 2002, contains the results of our performance audit* of Oakland University.
<b>AUDIT PURPOSE</b>	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.
<b>BACKGROUND</b>	<p>Oakland University was created in 1957 through a private grant to Michigan State University. The University was named Michigan State University - Oakland until 1963, when it was renamed Oakland University. Act 35, P.A. 1970, granted autonomy to the University. An eight-member Board of Trustees appointed by the Governor to eight-year terms governs the University.</p> <p>The University's mission* is to offer instructional programs of high quality that lead to degrees at the baccalaureate, master's, and doctoral levels as well as programs in continuing education; advance knowledge and promote the arts through research, scholarship, and creative activity; render significant public service; and facilitate student</p>

development. In all of its activities, the University strives to exemplify educational leadership.

The University offers diverse baccalaureate, master's, and doctoral level programs through its College of Arts and Sciences, School of Business Administration, School of Education and Human Services, School of Engineering and Computer Science, School of Health Sciences, and School of Nursing. During fall semester 2001, the University enrolled 15,875 students. The University had 11,970 fiscal year equated\* students during fiscal year 2000-01.

As of January 1, 2002, the University had 442 full-time and 339 part-time faculty members and 2,163 administrative and support staff. For the fiscal year ended June 30, 2001, current fund revenues\* were \$175.9 million (Exhibit 1) and current fund expenditures\* and transfers were \$171.6 million (Exhibit 2).

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**AUDIT OBJECTIVES,  
CONCLUSIONS, AND  
NOTEWORTHY  
ACCOMPLISHMENTS**

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

**Conclusion:** We concluded that the University was generally effective in its monitoring of academic and related programs provided to students. However, we noted reportable conditions\* related to remedial mathematics courses\*, verbal communication of teaching faculty, academic assessment program, and oversight of public school academies (Findings 1 through 4).

**Noteworthy Accomplishments:** From 1995 to 2000, the University introduced more than 30 academic degree and certificate programs, including an executive master of

business administration in health care management program and the State's only medical laboratory sciences program offering studies in cytotechnology, histotechnology, medical technology, and nuclear medicine technology.

The University was the first in Michigan to provide students with wireless network access in residence halls in 2001. Also, the University began accepting on-line payment of student tuition and fees for winter semester 2002.

To enrich its environment for teaching, researching, learning, and living, the University expended more than \$200 million between 1995 and 2002 on various capital projects, including building a new science and engineering building, the Elliott Hall of Business and Information Technology, a recreation and athletics center, the School of Education and Human Services building, student apartments, and a parking structure. The University also invested \$1.6 million in campus renovations to aid students with disabilities and is substantially renovating North Foundation Hall to create a one-stop student services center.

The North Central Association of Colleges and Schools awarded the University full reaccreditation. The University has 36 school and program accreditations. The University is recognized by the Carnegie Foundation for the Advancement of Teaching as one of the country's 110 doctoral research-intensive universities. In its 2001 rankings, *U.S. News & World Reports* ranked Oakland University among the top national public universities.

**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 was generally effective and efficient in its use of resources allocated to support academic and related programs.** However, we noted reportable conditions related to academic probation and dismissal, satisfactory academic progress\* for financial aid recipients, and Joint Capital Outlay Subcommittee approval (Findings 5 through 7).

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**AUDIT SCOPE AND  
METHODOLOGY**

Our audit scope was to examine the program and other records of Oakland 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, 1998 through January 31, 2002.

We conducted a preliminary review of the University's operations to formulate a basis for defining the audit scope. This included interviewing University personnel, reviewing applicable policies and procedures, analyzing revenue and expenditure data, examining enrollment and graduation trends, reviewing reference materials, and obtaining an understanding of the University's management control\* and operational and academic activities.

We evaluated the University's policies and procedures related to the admissions process. Also, we reviewed and assessed the University's policies, procedures, and practices related to student academic progress. In

addition, we examined the University's methods for ensuring the quality of its academic programs.

We assessed the efficiency of the University's use of resources. We also assessed the University's oversight of public school academies.

We determined the University's compliance with selected State and University policies and procedures regarding State-funded and non-State-funded capital construction and renovation projects. Also, we assessed the appropriateness of the University's overhead allocation to auxiliary activities.

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**AGENCY RESPONSES**

Our audit report includes 7 findings and 9 corresponding recommendations. The University's preliminary response indicated that it concurs with the findings and recommendations.