



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Northwestern Michigan College

Report Number:
32-310-03

Released:
October 2004

Northwestern Michigan College, located in Traverse City, was founded in 1951 by a group of local citizens who wanted to provide an affordable college education for area residents. In 1955, Northwestern Michigan College became Michigan's first community college under the Michigan Community College Act. The College is primarily a public two-year institution of higher education offering academic and occupational degree and certificate programs.

Audit Objective:

To assess the effectiveness of the College's admissions and monitoring practices to help students successfully complete their classes and programs.

Audit Conclusion:

The College's admissions and monitoring practices were generally effective in helping students successfully complete their classes and programs.

Reportable Condition:

The College needs to improve its management control for enforcing its placement testing and college-level course enrollment requirements (Finding 1).



Audit Objective:

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

Audit Conclusion:

The College was effective in its efforts to evaluate the quality of its educational

programs. Our report does not include any reportable conditions related to this audit objective.



Audit Objective:

To assess the effectiveness and efficiency of the College's use of educational program resources.

Audit Conclusion:

The College was generally effective and efficient in its use of educational program resources.

Reportable Conditions:

The College needs to establish a formal minimum class enrollment policy that includes documentation and approval requirements for low enrollment classes. Also, the College needs to periodically update its break-even analysis, which is one factor used in determining the threshold for holding low enrollment classes. (Finding 2)

The College did not assess classroom utilization as required by the Department of Management and Budget's Office of the State Budget (Finding 3).

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Audit Objective:

To assess the effectiveness of the College's methods for allocating operating and service costs to and for receipting revenues collected from self-liquidating auxiliary activities and programs.

Audit Conclusion:

The College was generally effective in its methods for allocating operating and service costs to and for receipting revenues collected from self-liquidating auxiliary activities and programs.

Reportable Conditions:

The College did not allocate all appropriate operational and institutional support costs to the auxiliary activities (Finding 4).

The College had not developed written policies and procedures for receipting revenues collected from auxiliary activities and programs (Finding 5).

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Agency Responses:

Our audit report includes 5 findings and 6 corresponding recommendations. The College's preliminary response indicates that it is in general agreement with all 6 recommendations. The College informed us that corrective action has already been initiated or completed since the audit.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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