



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit
Selected Community Colleges' Reporting of
Activities Classification Structure Data

Report Number:
 64-500-05

Released:
 July 2005

The activities classification structure (ACS) was developed in response to Section 8, Act 419, P.A. 1978. Also, uniform data reporting requirements were developed for use in making State budget and appropriation decisions. Act 117, P.A. 1984, provided for a funding formula to be used to determine State aid for each community college based on ACS data. The Department of Labor and Economic Growth (DLEG) is responsible for the collection and analysis of certain ACS data.

Audit Objective:

To assess whether colleges reported ACS data to DLEG on the ACS forms in accordance with the provisions of the annual appropriations act for community colleges (Act 358, P.A. 2004), the ACS Manual 2003 for Michigan Community Colleges (ACS Manual), the Manual for Uniform Financial Reporting of Michigan Public Community Colleges (MUFR), and DLEG's annual instructions.

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Audit Conclusion:

We concluded that the selected community colleges generally did not report ACS data to DLEG on the ACS forms in accordance with the provisions of the annual appropriations act for community colleges (Act 358, P.A. 2004), the ACS Manual, MUFR, and DLEG's annual instructions.

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Material Conditions:

Five colleges did not accurately report occupational contact hour data on their ACS 6 forms, including three colleges that reported occupational contact hours that were materially misstated (Finding 1).

Two colleges did not maintain documentation to support the accuracy of course enrollment data reported on their ACS 6 forms in accordance with Act 358, P.A. 2004, and DLEG's annual instructions (Finding 2).

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Reportable Conditions:

Our audit also disclosed reportable conditions related to reporting of data for Internet-based courses, reporting of local financing, activity measures - building footage, activity measures - energy and water costs, expenditure reporting, instructional activity classification, and student course enrollment data (Findings 3 through 9).

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Agency Responses:

Our audit report includes 9 findings and 9 corresponding recommendations. We discussed our audit findings with the management of each community college. The colleges' responses indicated general concurrence with our findings.

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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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