

# EXECUTIVE DIGEST

## EASTERN MICHIGAN UNIVERSITY

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**INTRODUCTION** This report, issued in February 1997, contains the results of our performance audit of Eastern Michigan University.

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**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. Section 808(1), Act 312, P.A. 1994, mandates that the Auditor General audit the intercollegiate athletic programs at public universities.

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**BACKGROUND** Act 138, P.A. 1849, established the Michigan State Normal School to provide “the instruction of persons both male and female in the art of teaching, and in all the various branches that pertain to a good common school education.” In 1959, university status was awarded to the School, and it became Eastern Michigan University.

The audit mandated by Act 312, P.A. 1994, is required to include an examination of revenues and expenditures, internal controls, disclosure of outside income, and the athletic program mission. In addition, the audit is to report on the number of student athletes and the number and amount of scholarships and other financial assistance provided to student athletes. Our report includes this information in the exhibits presented as supplemental information.

The University is a Division 1-A member of the National Collegiate Athletic Association\* and the Mid-American Athletics Conference. University intercollegiate athletic

programs consist of men's baseball, basketball, football, golf, soccer, swimming, tennis, track/cross country, and wrestling and women's basketball, gymnastics, soccer, softball, swimming, tennis, track/cross country, and volleyball. For academic year 1995-96, 374 male and 159 female students were involved in intercollegiate athletic programs.

The University reported more than 22,000 students enrolled per academic year during the period covered by our audit. Approximately 90% of these students were Michigan residents. Approximately 4,000 lived on campus and another 7,000 to 8,000 students lived in privately owned housing close to campus. The rest of the students commuted to the University from their homes.

Fiscal year 1995-96 current (general, designated, auxiliary activities, and expendable restricted) fund revenues were \$191.8 million (Exhibit 1) and expenditures and net transfers to other funds were \$187.5 million (Exhibit 2). The University received general fund revenues from State appropriations (\$71.0 million), tuition and fees (\$60.8 million) and other sources (\$3.2 million) for a total of \$135.0 million (Exhibit 1). Also, for the 1995-96 academic year, the University had 919 full-time equated teaching faculty.

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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 monitoring academic and related programs provided to students. However, we noted audit findings related to transfer credits (Finding 1), course prerequisites (Finding 2), and graduate surveys (Finding 3).

**Noteworthy Accomplishments:** The University received a 10-year full accreditation from the North Central

Association of Colleges and Secondary Schools (NCA) in March 1991, and the University's academic assessment program was recently approved by NCA. In addition, the University is in the process of implementing a student retention tracking system.

**Audit Objective:** To assess the efficiency of the University's use of resources allocated to provide academic and related programs to students.

**Conclusion:** We concluded that the University was efficient in its use of resources allocated to provide academic and related programs to students.

**Audit Objective:** To assess the effectiveness of the University's use of resources related to the intercollegiate athletic program.

**Conclusion:** We concluded that the University was generally effective in its use of resources related to the intercollegiate athletic program. The use of resources was consistent with the program's mission; however, we noted audit findings related to purchasing procedures (Finding 4) and disclosure of outside income (Finding 5).

**Noteworthy Accomplishments:** In March 1996, the University completed an athletic program self-study which was evaluated by a five-member external peer review team. The University subsequently received preliminary full certification status from the National Collegiate Athletic Association.

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AUDIT SCOPE AND  
METHODOLOGY

Our audit scope was to examine the program and other records of Eastern Michigan 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 covered the University's records and activities for the period July 1, 1994 through August 31, 1996. To accomplish our objectives, we examined policies and procedures and analyzed data related to the admissions process, the student tracking system, academic progress, developmental programs, the student transfer process, academic program reviews, student outcomes assessments, class scheduling, space utilization, the tuition reciprocity agreement with the University of Toledo (Ohio), faculty utilization, and the intercollegiate athletic program.

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AGENCY  
RESPONSES

Our audit report includes 5 findings and 6 corresponding recommendations. The agency preliminary response indicated that the University agreed with all 6 recommendations.

In regard to two audit findings, transfer credits (Finding 1) and graduate surveys (Finding 3), the University reported that it had identified and initiated action to address the items prior to disclosure of the findings by the auditors.