

EXECUTIVE DIGEST

PRIVATE COLLEGES' ENROLLMENTS

INTRODUCTION

This compliance audit covers the Michigan Higher Education Assistance Authority's (MHEAA's) administration of private colleges' competitive scholarship and tuition grant programs for the fall 1997-98 academic period, adult part-time grant and Michigan work-study programs for the 1996-97 academic period, and degree reimbursements for degrees conferred during fiscal year 1996-97.

AUDIT PURPOSE

This audit was conducted as part of the constitutional responsibility of the Office of the Auditor General and was required by Act 84, P.A. 1997, the annual appropriations act for State institutions of higher education and certain State purposes related to education.

The purposes of our audit were to determine that grant recipients met eligibility requirements, that private colleges appropriately accounted for the adult part-time grants and Michigan work-study awards, and that private colleges requested reimbursement for only eligible degrees conferred.

BACKGROUND

MHEAA, through the Department of Treasury, is responsible for administering private college competitive scholarships, tuition grants, adult part-time grants, Michigan work-study awards, and degree reimbursements. For the 1997-98 academic period, the Legislature

appropriated \$31.7 million for competitive scholarships and \$57.8 million for tuition grants. For the 1996-97 academic period, it appropriated \$2.5 million for adult part-time grants and \$6.9 million for Michigan work-study awards. For fiscal year 1997-98, the Legislature also appropriated \$6.0 million for general, nursing, and allied health degrees and \$4.5 million for dental degrees conferred during fiscal year 1996-97.

**AUDIT OBJECTIVES
AND CONCLUSIONS**

Audit Objective: To determine that students at private colleges receiving competitive scholarships, tuition grants, adult part-time grants, and Michigan work-study awards met eligibility requirements stated in the enabling legislation and the appropriations act.

Conclusion: In general, students at private colleges receiving competitive scholarships, tuition grants, adult part-time grants, and Michigan work-study awards met eligibility requirements.

Audit Objective: To determine that the private colleges appropriately accounted for adult part-time grant and Michigan work-study funds.

Conclusion: In general, the private colleges appropriately accounted for these funds.

Audit Objective: To determine that the private colleges requested reimbursement for only eligible degrees earned by Michigan residents.

Conclusion: The private colleges generally requested reimbursement for only eligible degrees earned by Michigan residents.

AUDIT SCOPE

Our audit scope was to examine, at 10 of 49 private colleges, selected records supporting the competitive scholarships and tuition grants awarded for the fall 1997-98 academic period, adult part-time grants and Michigan work-study funds awarded during the 1996-97 academic period, and degrees conferred during fiscal year 1996-97 and submitted for reimbursement in fiscal year 1997-98. 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.

The private colleges included in our review were:

Adrian College
Center for Humanistic Studies
Cleary College
Cornerstone College
Davenport College - Kalamazoo Campus
Lewis College of Business
Michigan Jewish Institute
Rochester College
Sacred Heart Major Seminary
William Tyndale College

**PRIOR AUDIT
FOLLOW-UP**

MHEAA, in conjunction with the private colleges, resolved all of the prior audit exceptions identified in our prior audit conclusions.