

Office of the Auditor General  
Performance Audit Report

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**State Public Universities' Reporting of  
Selected Higher Education Institutional  
Data Inventory (HEIDI) Data**  
State Budget Office

Fiscal Year 2015

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**The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.**

*Article IV, Section 53 of the Michigan Constitution*

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Office of the Auditor General

## Report Summary

### *Performance Audit*

### *State Public Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data State Budget Office*

**Report Number:  
331-0300-16**

**Released:  
June 2016**

The Legislature established HEIDI to capture selected data from Michigan's 15 public universities. Annually, the universities report enrollment data, such as student credit hours by academic level and residency, and other data such as revenues, expenditures, and tuition and fees.

During fiscal year 2015, gross appropriations to the State's 15 public universities totaled \$1.4 billion.

Audit Objective			Conclusion
Objective: To assess whether the State's public universities reported selected HEIDI data in accordance with requirements.			Data reported in accordance with requirements.
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable	Not applicable	Not applicable

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: [www.audgen.michigan.gov](http://www.audgen.michigan.gov)

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**Doug A. Ringler, CPA, CIA**  
Auditor General

June 10, 2016

The Honorable Dave Hildenbrand, Chair  
Senate Appropriations Committee  
Michigan Senate  
and  
The Honorable Al Pscholka, Chair  
House Appropriations Committee  
Michigan House of Representatives  
State Capitol  
Lansing, Michigan

Mr. John S. Roberts, State Budget Director  
State Budget Office  
George W. Romney Building  
Lansing, Michigan

Dear Senator Hildenbrand, Representative Pscholka, and Mr. Roberts:

I am pleased to provide this performance audit report on State Public Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data for fiscal year 2015.

This report is issued pursuant to Section 18.1299(4) of the *Michigan Compiled Laws*, which requires that the Auditor General conduct an annual audit of selected data submitted by public universities.

We appreciate the courtesy and cooperation extended to us during this audit.

Sincerely,

A handwritten signature in black ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler  
Auditor General



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# AUDIT OBJECTIVES, CONCLUSIONS, FINDINGS, AND OBSERVATIONS

# **PUBLIC UNIVERSITIES' REPORTING OF SELECTED HEIDI DATA**

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## **BACKGROUND**

The Legislature established the Higher Education Institutional Data Inventory (HEIDI) to capture selected data from Michigan's 15 public universities. Examples of the type of data that the public universities report in HEIDI include enrollment data, such as student credit hours by academic level and residency; faculty and staff status and compensation; revenues; expenditures; building square footage; scholarships and grants; tuition and fees; and student population profiles. The State's policymakers use HEIDI data to assist in their decision-making processes, and the universities use the data to aid in planning and evaluation.

The State's annual education appropriations acts require the 15 public universities to submit to HEIDI specified data and associated financial and program information on a fiscal year basis in accordance with the State Budget Office's (SBO's) HEIDI User Manual\*. Section 18.1299 of the *Michigan Compiled Laws* requires SBO to establish, maintain, and coordinate HEIDI and requires the Auditor General to review HEIDI enrollment data submitted by all public universities and to perform audits of selected data submitted by public universities. SBO is an autonomous entity within the Department of Technology, Management, and Budget.

## **AUDIT OBJECTIVE**

To assess whether the State's public universities reported selected HEIDI data in accordance with requirements.

## **CONCLUSION**

Data reported in accordance with requirements.

## **FACTORS IMPACTING CONCLUSION**

- No findings related to this audit objective.
- Accuracy of the student credit hours, student academic levels, and student residency reported for 400 randomly selected students from 4 selected universities.
- Absence of unexpected and/or unexplained enrollment patterns within the HEIDI enrollment data for the 15 public universities reported for fiscal years 2014 and 2015.
- Accuracy of the critical degrees conferred for 56 randomly selected students from 4 selected universities.
- SBO's maintenance of the HEIDI User Manual, including uniform reporting categories to help ensure the validity and reliability of the HEIDI data.

\* See glossary at end of report for definition.

- Collaborative efforts of SBO, the HEIDI Advisory Committee, the Senate Fiscal Agency, and the House Fiscal Agency (HFA) to help ensure the validity and reliability of the HEIDI data.

## APPROPRIATIONS AND SELECTED HEIDI DATA DESCRIPTION

Fiscal year 2015 gross appropriations to the State's 15 public universities totaled \$1.4 billion, the total number of student credit hours generated was over 7.5 million, and the total number of fiscal year equated students enrolled was approximately 262,000. Gross appropriations for the 4 public universities selected for audit totaled \$548.8 million (39.2%), total student credit hours generated were approximately 2.9 million (38.7%), and total fiscal year equated students enrolled were nearly 103,000 (39.3%) for fiscal year 2015.

University	Operations	Performance Funding	MSU AgBioResearch	MSU Extension	Gross Appropriations*	Student Credit Hours	Fiscal Year Equated Students
Central Michigan University**	\$ 73,540,100	\$ 5,574,900			\$ 79,115,000	623,290	21,278
Eastern Michigan University**	67,275,400	4,495,700			71,771,100	507,785	17,493
Ferris State University	45,636,500	3,450,500			49,087,000	357,832	12,134
Grand Valley State University	57,823,500	5,312,500			63,136,000	656,500	22,446
Lake Superior State University	12,231,000	551,500			12,782,500	63,367	2,113
Michigan State University	249,597,800	14,831,300	\$ 32,027,900	\$ 27,581,100	324,038,100	1,352,800	46,138
Michigan Technological University	43,473,800	2,449,300			45,923,100	184,937	6,501
Northern Michigan University	41,741,400	2,535,800			44,277,200	229,200	7,716
Oakland University	45,651,600	2,712,500			48,364,100	520,030	17,409
Saginaw Valley State University	25,991,000	1,619,200			27,610,200	251,820	8,540
University of Michigan - Ann Arbor**	279,232,700	15,941,400			295,174,100	1,219,182	43,817
University of Michigan - Dearborn	22,510,400	1,178,900			23,689,300	196,002	6,738
University of Michigan - Flint	19,938,200	1,399,500			21,337,700	192,844	6,904
Wayne State University	183,398,300	7,121,500			190,519,800	641,920	22,444
Western Michigan University**	97,279,000	5,463,000			102,742,000	583,184	20,318
	<u>\$ 1,265,320,700</u>	<u>\$ 74,637,500</u>	<u>\$ 32,027,900</u>	<u>\$ 27,581,100</u>	<u>\$ 1,399,567,200</u>	<u>7,580,693</u>	<u>261,989</u>

\* The gross appropriations reported for each university included only the amount specifically appropriated to the university under Public Act 196 of 2014.

\*\* These 4 universities were selected for audit for fiscal year 2015.

## AUDIT SCOPE, METHODOLOGY, AND OTHER INFORMATION

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### AUDIT SCOPE

To review HEIDI enrollment data for all 15 public universities and to audit selected HEIDI data for a sample of the universities for fiscal year 2015. We conducted this performance audit\* in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our conclusion based on our audit objective.

### PERIOD

Our audit procedures, which included a preliminary survey, audit fieldwork, report preparation, and quality assurance, covered fiscal year 2015.

### METHODOLOGY

We conducted a preliminary survey to formulate a basis for defining our audit objective and methodology and to obtain an understanding of requirements and activities related to public universities' reporting of HEIDI data. As part of our preliminary survey, we:

- Reviewed applicable sections of the *Michigan Compiled Laws*, the annual education appropriations act, and the SBO's HEIDI User Manual to obtain an understanding of the requirements for public universities' reporting of HEIDI data.
- Interviewed SBO staff and HFA staff to obtain an understanding of their activities related to the collection, use, and management of HEIDI data.
- Interviewed staff from 4 judgmentally selected public universities to obtain an understanding of each school's activities related to HEIDI data reporting.
- Examined selected HFA university enrollment and funding reports compiled using HEIDI data.

### OBJECTIVE

To assess whether the State's public universities reported selected HEIDI data in accordance with requirements.

To accomplish this objective, we:

- Considered each university's total student enrollment for fiscal year 2015 and our previous selection of universities for on-site reviews and judgmentally

\* See glossary at end of report for definition.

selected the following 4 public universities for auditing procedures, including on-site records examination:

Central Michigan University  
Eastern Michigan University  
University of Michigan - Ann Arbor  
Western Michigan University

- Conducted the following procedures for the 4 selected universities:
  - Randomly selected 400 students (100 from each school) and:
    - Confirmed that the student credit hours that the university reported to HEIDI for each student complied with requirements set forth in the annual appropriations act and the HEIDI User Manual.
    - Verified that the student credit hours and academic level that the university reported to HEIDI agreed with each student's transcript.
    - Verified that each student's residency type recorded in HEIDI was supported by university records. In addition, we judgmentally selected 15 students from each of the 4 universities and validated that the university appropriately determined the students' residence status according to approved university board policies.
  - Obtained source data files for resident and nonresident student credit hours and student academic level from each university and:
    - Reconciled the student credit hours contained in the source data files to the number of student credit hours that each of the 4 universities reported to HEIDI.
    - Recalculated and reconciled the number of fiscal year equated students that each university reported to HEIDI using formulas provided by the HEIDI User Manual.
  - Reconciled the total of 10,576 critical degrees conferred as reported to SBO by the 4 selected universities to the universities' source data records. In addition, we validated the type and

conferment date of critical degrees to the student's transcript for 56 randomly selected students from the 4 universities.

- Performed analytical review procedures on HEIDI enrollment data for all 15 public universities to identify and analyze enrollment trends for each university and to help determine the reasonableness of the HEIDI enrollment data that the universities reported.

**CONCLUSIONS**

We base our conclusions on our audit efforts and the resulting material conditions\* and reportable conditions\*.

**AGENCY  
RESPONSES**

Not applicable.

\* See glossary at end of report for definition.

## **GLOSSARY OF ABBREVIATIONS AND TERMS**

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HEIDI	Higher Education Institutional Data Inventory.
HEIDI User Manual	A manual containing detailed instructions for entering data using either the data entry screens or the electronic upload entry method, deadlines for submission of data elements, information about maneuvering in and between entry screens, as well as other technical assistance.
HFA	House Fiscal Agency.
material condition	A matter that, in the auditor's judgment, is more severe than a reportable condition and could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
performance audit	An audit that provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.
reportable condition	A matter that, in the auditor's judgment, is less severe than a material condition and falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the audit objectives; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.
SBO	State Budget Office.







