

PERFORMANCE AUDIT  
OF THE  
MICHIGAN COMMISSION ON INDIAN AFFAIRS  
DEPARTMENT OF CIVIL RIGHTS

July 1999

## EXECUTIVE DIGEST

# MICHIGAN COMMISSION ON INDIAN AFFAIRS

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**INTRODUCTION** This report, issued in July 1999, contains the results of our performance audit\* of the Michigan Commission on Indian Affairs, Department of Civil Rights.

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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\*.

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**BACKGROUND** Act 195, P.A. 1972 (Sections 16.711 - 16.720 of the *Michigan Compiled Laws*), established the Michigan Commission on Indian Affairs within the Executive Office of the Governor.

Executive Order 1973-7 provided that the Commission would remain an independent unit within the Executive Office of the Governor; however, the budget, procurement, staffing, and related management functions of the Commission were transferred to the Department of Management and Budget. Subsequently, Executive Order 1991-29, effective December 16, 1991, transferred all the statutory authority, powers, duties, functions, and responsibilities of the Commission to the director of the Department of Civil Rights, by a type I transfer\*, as defined by Section 16.103 of the *Michigan Compiled Laws*.

\* See glossary on page 14 for definition

The Commission's responsibility is to investigate problems common to Indian residents of Michigan and to assist tribal governments, Indian organizations, and individuals with problems involving education, employment, civil rights, health, housing, treaty rights, and any other right or service due the Indians of Michigan. The Commission's mission\* is to promote increased self-sufficiency and independence of Indian people and to effectuate positive change for the Native American community Statewide.

Act 174, P.A. 1976, as amended (Sections 390.1251 - 390.1253 of the *Michigan Compiled Laws*), established the Indian Tuition Waiver (ITW) Program, which provided for the waiver of tuition for State resident North American Indians at Michigan public community colleges, public universities, and certain federal tribally controlled community colleges.

Effective with fiscal year 1996-97, the Commission ceased to administer the ITW Program. The responsibility to administer the ITW Program was transferred to the public universities and community colleges as the ITW Program's appropriation was allocated among and provided directly to each public university and community college as part of its annual operations appropriation.

For fiscal year 1997-98, Commission expenditures totaled approximately \$198,450. The Commission had two full-time permanent employees as of November 30, 1998.

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**AUDIT OBJECTIVE  
AND CONCLUSION**

**Audit Objective:** To assess the effectiveness of the Commission in investigating problems common to Indian residents of Michigan and in assisting tribal governments, Indian organizations, and individuals with problems

\* See glossary on page 14 for definition.

involving education, employment, civil rights, health, housing, treaty rights, and any other right or service due Indians in Michigan.

**Conclusion:** Our assessment disclosed that the Commission actively worked toward fulfilling its responsibilities in investigating problems common to Indian residents of Michigan and in assisting tribal governments, Indian organizations, and individuals with problems involving education, employment, civil rights, health, housing, treaty rights, and any other right or service due Indians in Michigan. However, we noted a reportable condition\* related to the continuous quality improvement process\* (Finding 1).

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**AUDIT SCOPE AND  
METHODOLOGY**

Our audit scope was to examine the program and other records of the Michigan Commission on Indian Affairs. 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 methodology included the examination of records and program activities for the period October 1, 1995 through November 30, 1998. To assess the effectiveness of the Commission, we reviewed the enabling statute and other program documentation, interviewed Commission staff, and tested the Commission's compliance with the enabling statute, appropriations acts, and policies and procedures.

\* See glossary on page 14 for definition.

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**AGENCY RESPONSES  
AND PRIOR AUDIT  
FOLLOW-UP**

Our audit report includes 1 finding and 1 recommendation.  
The Commission concurs with the recommendation.

The Commission had complied with 4 of the 5 prior audit recommendations that were included within the scope of our current audit. One recommendation was rewritten for inclusion in this audit report.

Dr. Evelyn L. Crane, Chairperson  
Civil Rights Commission  
State of Michigan Plaza Building  
Detroit, Michigan  
and  
Dr. Nanette Lee Reynolds, Director  
Department of Civil Rights  
Victor Center  
Lansing, Michigan  
and  
Ms. Carlota Beauprey, Chairperson  
Michigan Commission on Indian Affairs  
741 N. Cedar Street, Suite 102  
Lansing, Michigan

Dear Dr. Crane, Dr. Reynolds, and Ms. Beauprey:

This is our report on the performance audit of the Michigan Commission on Indian Affairs, Department of Civil Rights.

This report contains our executive digest; description of agency; audit objective, scope, and methodology and agency responses and prior audit follow-up; comment, finding, recommendation, and agency preliminary response; and a glossary of acronyms and terms.

The agency preliminary response was taken from the agency's response subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

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

Sincerely,

Thomas H. McTavish, C.P.A.  
Auditor General

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## Description of Agency

Act 195, P.A. 1972 (Sections 16.711 - 16.720 of the *Michigan Compiled Laws*), established the Michigan Commission on Indian Affairs within the Executive Office of the Governor.

Executive Order 1973-7 provided that the Commission would remain an independent unit within the Executive Office of the Governor; however, the budget, procurement, staffing, and related management functions of the Commission were transferred to the Department of Management and Budget. Subsequently, Executive Order 1991-29, effective December 16, 1991, transferred all the statutory authority, powers, duties, functions, and responsibilities of the Commission to the director of the Department of Civil Rights, by a type I transfer, as defined by Section 16.103 of the *Michigan Compiled Laws*.

The Commission's responsibility is to investigate problems common to Indian residents of Michigan and to assist tribal governments, Indian organizations, and individuals with problems involving education, employment, civil rights, health, housing, treaty rights, and any other right or service due the Indians of Michigan. The Commission's mission is to promote increased self-sufficiency and independence of Indian people and to effectuate positive change for the Native American community Statewide.

The Commission consists of 11 members appointed by the Governor. Nine of the 11 members shall have not less than one quarter quantum Indian blood with 2 members appointed at large and not necessarily of Indian ancestry. Commission members are paid per diem compensation for attending meetings and are reimbursed for their actual and necessary traveling expenses incurred on official business.

Act 174, P.A. 1976, as amended (Sections 390.1251 - 390.1253 of the *Michigan Compiled Laws*), established the Indian Tuition Waiver (ITW) Program, which provided for the waiver of tuition for State resident North American Indians at Michigan public community colleges, public universities, and certain federal tribally controlled community colleges. Section 390.1252 of the *Michigan Compiled Laws* defines a North American Indian as ". . . a person who is not less than  $\frac{1}{4}$  quantum blood Indian as certified by the person's tribal association and verified by the Michigan Commission on

Indian Affairs." Blood quantum indicates the degree of Indian ancestry that a person possesses.

Effective with fiscal year 1996-97, the Commission ceased to administer the ITW Program. The responsibility to administer the ITW Program was transferred to the public universities and community colleges as the ITW Program's appropriation was allocated among and provided directly to each public university and community college as part of its annual operations appropriation.

For fiscal year 1997-98, Commission expenditures totaled approximately \$198,450. The Commission had two full-time permanent employees as of November 30, 1998.

## **Audit Objective, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up**

### Audit Objective

The objective of our performance audit of the Michigan Commission on Indian Affairs, Department of Civil Rights, was to assess the effectiveness of the Commission in investigating problems common to Indian residents of Michigan and in assisting tribal governments, Indian organizations, and individuals with problems involving education, employment, civil rights, health, housing, treaty rights, and any other right or service due Indians in Michigan.

### Audit Scope

Our audit scope was to examine the program and other records of the Michigan Commission on Indian Affairs. 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.

### Audit Methodology

Our audit procedures were performed between September and December 1998 and included the examination of records and program activities for the period October 1, 1995 through November 30, 1998.

Our audit methodology included a review of the enabling statute. We interviewed Commission staff, examined Commission meeting minutes, and reviewed other program documentation to assess the effectiveness of the Commission in fulfilling its statutory requirements. Also, we tested the Commission's compliance with the enabling statute, appropriations acts, and policies and procedures.

### Agency Responses and Prior Audit Follow-Up

Our audit report includes 1 finding and 1 recommendation. The Commission concurs with the recommendation.

The agency preliminary response which follows the recommendation in our audit report was taken from the agency's written comments and oral discussion subsequent to our

audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require the Department of Civil Rights to develop a formal response to our audit finding and recommendation within 60 days after release of the report.

The Commission had complied with 4 of the 5 prior audit recommendations that were included within the scope of our current audit. One recommendation was rewritten for inclusion in the audit report.

# COMMENT, FINDING, RECOMMENDATION, AND AGENCY PRELIMINARY RESPONSE

## EFFECTIVENESS OF THE COMMISSION

### COMMENT

**Audit Objective:** To assess the effectiveness of the Michigan Commission on Indian Affairs in investigating problems common to Indian residents of Michigan and in assisting tribal governments, Indian organizations, and individuals with problems involving education, employment, civil rights, housing, treaty rights, and any other right or service due Indians in Michigan.

**Conclusion:** Our assessment disclosed that the Commission actively worked toward fulfilling its responsibilities in investigating problems common to Indian residents of Michigan and in assisting tribal governments, Indian organizations, and individuals with problems involving education, employment, civil rights, health, housing, treaty rights, and any other right or service due Indians in Michigan. However, we noted a reportable condition related to the continuous quality improvement process.

### FINDING

1. Continuous Quality Improvement Process

The Commission had not established a complete continuous quality improvement process to measure and report on the effectiveness of the Commission's programs and efforts to address issues related to Indian residents of Michigan.

A continuous quality improvement process should include: goals\* and objectives\* related to the program's mission; performance standards\* that describe the desired level of outcomes\* based upon management expectations, peer group performance, and/or historical performance; performance indicators\* to measure outcomes; a management information system to gather accurate performance data; a comparison of performance data to desired outcomes; a reporting of the

\* See glossary on page 14 for definition.

comparison results to management; and proposals of program changes to improve effectiveness.

The Commission annually establishes goals and objectives related to issues affecting Indian residents of Michigan. At year-end, the Commission prepares a report identifying the actions taken to meet those goals and objectives. Commission efforts also included establishing committees to study Native American issues; providing information to Indian residents of Michigan related to culture, education, health, and youth and senior programs; working jointly on the administration of the block grant program within the Family Independence Agency for tribes and organizations; and working on legislation affecting Indian residents of Michigan. However, the absence of a performance measurement system\* limits the Commission's ability to determine the effectiveness of its programs and efforts to address issues related to Indian residents of Michigan.

Developing performance measures would provide a basis to help the Commission measure, report, and propose changes to improve the effectiveness of its programs and efforts to address issues related to Indian residents of Michigan.

### **RECOMMENDATION**

We recommend that the Commission establish a complete continuous quality improvement process to measure and report on the effectiveness of the Commission's programs and efforts to address issues related to Indian residents of Michigan.

### **AGENCY PRELIMINARY RESPONSE**

The Commission concurs with the recommendation. The Commission informed us that the Department of Civil Rights is developing and implementing a continuous quality improvement process that includes initiatives using survey instruments and establishing performance indicators.

\* See glossary on page 14 for definition.

## Glossary of Acronyms and Terms

<b>continuous quality improvement process</b>	A process that consists of goals and objectives related to the program's mission; performance standards that describe the desired level of outcomes based upon management expectations, peer group performance, and/or historical performance; performance indicators to measure outcomes; a management information system to gather accurate performance data; a comparison of performance data to desired outcomes; a reporting of the comparison results to management; and proposals of program changes to improve effectiveness.
<b>effectiveness</b>	Program success in achieving mission and goals.
<b>efficiency</b>	Achieving the most outputs and outcomes practical for the amount of resources applied or minimizing the amount of resources required to attain a certain level of outputs or outcomes.
<b>goals</b>	The agency's intended outcomes or impacts for a program to accomplish its mission.
<b>inputs</b>	Resources (e.g., staff hours or expenditures) that a program consumes in producing outputs.
<b>ITW Program</b>	Indian Tuition Waiver Program.
<b>mission</b>	The agency's main purpose or the reason the agency was established.
<b>objectives</b>	Specific outputs a program seeks to perform and/or inputs a program seeks to apply in its efforts to achieve its goals.

<b>outcomes</b>	The actual impacts of the program. Outcomes should positively impact the purpose for which the program was established.
<b>outputs</b>	The products or services produced by the program. The program assumes that producing its outputs will result in favorable program outcomes.
<b>performance audit</b>	An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.
<b>performance indicators</b>	Information of a quantitative or qualitative nature indicating program outcomes, outputs, or inputs. Performance indicators are typically used to assess achievement of goals and/or objectives.
<b>performance measurement system</b>	A system for capturing and processing data (including forms, procedures, information data bases, and reporting) to determine if the program is achieving its goals.
<b>performance standards</b>	A desired level of output or outcome as identified in statutes, regulations, contracts, management goals, industry practices, peer groups, or historical performance.
<b>reportable condition</b>	A matter coming to the auditor's attention that, in his/her judgment, should be communicated because it represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.

type I transfer

The transferring intact of an existing department, board, commission, or agency to a principal department established by the Executive Organization Act of 1965 (Act 380, P.A. 1965).