



# MICHIGAN

OFFICE OF THE AUDITOR GENERAL

## AUDIT REPORT



THOMAS H. McTAVISH, C.P.A.  
AUDITOR GENERAL

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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Michigan  
Office of the Auditor General  
**REPORT SUMMARY**

*Performance Audit*

Report Number:  
032-0270-09

*Monroe County Community College*

Released:  
December 2010

*Monroe County Community College is a public, two-year institution of higher education. The College was established in 1964 using temporary facilities at Ida High School and later moved to its current 210-acre campus in Monroe, Michigan. The College operates under the authority of Sections 389.1 - 389.195 of the Michigan Compiled Laws, commonly known as the Community College Act of 1966.*

**Audit Objective:**

To assess the effectiveness of the College's efforts to evaluate the quality and outcomes of its educational programs.

**Audit Conclusion:**

The College was effective in its efforts to evaluate the quality and outcomes of its educational programs. Our report does not include any reportable conditions related to this audit objective.

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**Audit Objective:**

To assess the effectiveness of the College's admissions and monitoring practices to help students successfully complete their classes and programs.

**Audit Conclusion:**

The College's admissions and monitoring practices were effective in helping students successfully complete their classes and programs. Our report does not include any reportable conditions related to this audit objective.

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**Audit Objective:**

To assess the efficiency of the College's use of educational program resources.

**Audit Conclusion:**

The College was efficient in its use of educational program resources. However, our assessment disclosed a reportable condition related to repetitive course enrollments (Finding 1).

**Reportable Condition:**

The College had not developed a formal policy to address repetitive course enrollments and their impact on student academic progress and the College's efficient use of resources (Finding 1).

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**Agency Response:**

Our audit report contains 1 finding and 1 corresponding recommendation. The College's preliminary response indicates that it agrees with the recommendation.

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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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THOMAS H. MCTAVISH, C.P.A.  
AUDITOR GENERAL

December 10, 2010

Mr. William J. Bacarella, Jr., Chair  
Board of Trustees  
and  
Dr. David E. Nixon, President  
Monroe County Community College  
Monroe, Michigan

Dear Mr. Bacarella and Dr. Nixon:

This is our report on the performance audit of Monroe County Community College.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses; comments, finding, recommendation, and agency preliminary response; and a glossary of acronyms and terms.

Our comments, finding, and recommendation are organized by audit objective. The agency preliminary response was taken from the College's response subsequent to our audit fieldwork. Annual appropriations acts require that the audited institution 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.

AUDITOR GENERAL



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## Description of Agency

Monroe County Community College is a public, two-year institution of higher education. The College was established in 1964 using temporary facilities at Ida High School and later moved to its current 210-acre campus in Monroe, Michigan.

The College operates under the authority of Sections 389.1 - 389.195 of the *Michigan Compiled Laws*, commonly known as the Community College Act of 1966. It is governed by a Board of Trustees consisting of seven members elected by the voters of the community college district for six-year terms of office.

The College offers 62 degree and certificate programs in technical, business, and health related fields of study. Credit and non-credit courses are available at its main campus in Monroe and at its 25-acre Whitman Center located in Temperance, Michigan. In addition, the College offers a limited number of credit courses to students through distance learning using the Internet.

The College primarily receives its financial support from local property tax assessments, student tuition and fees, and appropriations from the State of Michigan. For the fiscal year ended June 30, 2009, the College reported general fund revenue of \$25,250,000 and general fund expenses of \$25,958,000.

The College enrolled 4,624 students for fall semester 2009. As of winter semester 2009, the College employed 66 full-time faculty, 200 part-time faculty, and 199 full-time and part-time administrative and other personnel.

## Audit Objectives, Scope, and Methodology and Agency Responses

### Audit Objectives

Our performance audit\* of Monroe County Community College had the following objectives:

1. To assess the effectiveness\* of the College's efforts to evaluate the quality and outcomes of its educational programs.
2. To assess the effectiveness of the College's admissions and monitoring practices to help students successfully complete their classes and programs.
3. To assess the efficiency of the College's use of educational program resources.

### Audit Scope

Our audit scope was to examine the program and other records of Monroe County Community College. 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 finding and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our finding and conclusions based on our audit objectives. Our audit procedures, performed from July 2009 through January 2010, generally covered the period October 1, 2007 through December 31, 2009.

A public accounting firm engaged by the College annually audits the College's financial statements.

### Audit Methodology

Our preliminary review included interviewing College personnel, reviewing applicable policies and procedures, analyzing available data and statistics, reviewing reference

\* See glossary at end of report for definition.

materials, and obtaining an understanding of the College's internal control\* and operational and academic activities.

To accomplish our first objective, we evaluated the College's efforts and methods used to assess and monitor the quality and outcomes of its educational programs, including the evaluation of faculty. We evaluated the College's efforts to survey its graduates to determine if the education provided by the College was satisfactory to meet the students' educational and career goals. Also, we examined the College's efforts to obtain the results of licensing and certification examinations.

To accomplish our second objective, we reviewed the College's admissions and monitoring practices, including the methods used by the College for determining course placement and enrolling students in developmental courses\*. We extracted and analyzed student academic information from the College's database and reviewed the academic assessment and placement process. Also, we analyzed the effectiveness of the College's developmental courses by reviewing course enrollment data for students enrolled at the College during the period October 2007 through June 2009. We reviewed repetitive course enrollment\* and withdrawals. We also reviewed enrollment trends and the College's efforts to recruit and retain students.

To accomplish our third objective, we extracted and analyzed student academic record information from the College's database for use in examining minimum class enrollment\*. We interviewed College staff and analyzed financial information relating to the College's extension center\*. Also, we evaluated the College's assignment methods for and use of faculty, including the assignment of sabbaticals and release time.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis.

\* See glossary at end of report for definition.

### Agency Responses

Our audit report contains 1 finding and 1 corresponding recommendation. The College's preliminary response indicates that it agrees with the recommendation.

The agency preliminary response that follows the recommendation in our report was taken from the College's written comments and oral discussion subsequent to our audit fieldwork. Annual appropriations acts require the principal executive officer of the audited institution to submit a written response to our audit to the House and Senate Appropriations Committees, the House and Senate Fiscal Agencies, the Department of Energy, Labor & Economic Growth, the Auditor General, and the State Budget Director. The response is due within 60 days after the audit report has been issued and should specify the action taken by the institution regarding the audit report's recommendation.

COMMENTS, FINDING, RECOMMENDATION,  
AND AGENCY PRELIMINARY RESPONSE

## EFFORTS TO EVALUATE THE QUALITY AND OUTCOMES OF EDUCATIONAL PROGRAMS

### COMMENT

**Audit Objective:** To assess the effectiveness of Monroe County Community College's efforts to evaluate the quality and outcomes of its educational programs.

**Audit Conclusion:** **The College was effective in its efforts to evaluate the quality and outcomes of its educational programs.** Our report does not include any reportable conditions\* related to this audit objective.

## STUDENT SUCCESS IN COMPLETING CLASSES AND PROGRAMS

### COMMENT

**Audit Objective:** To assess the effectiveness of the College's admissions and monitoring practices to help students successfully complete their classes and programs.

**Audit Conclusion:** **The College's admissions and monitoring practices were effective in helping students successfully complete their classes and programs.** Our report does not include any reportable conditions related to this audit objective.

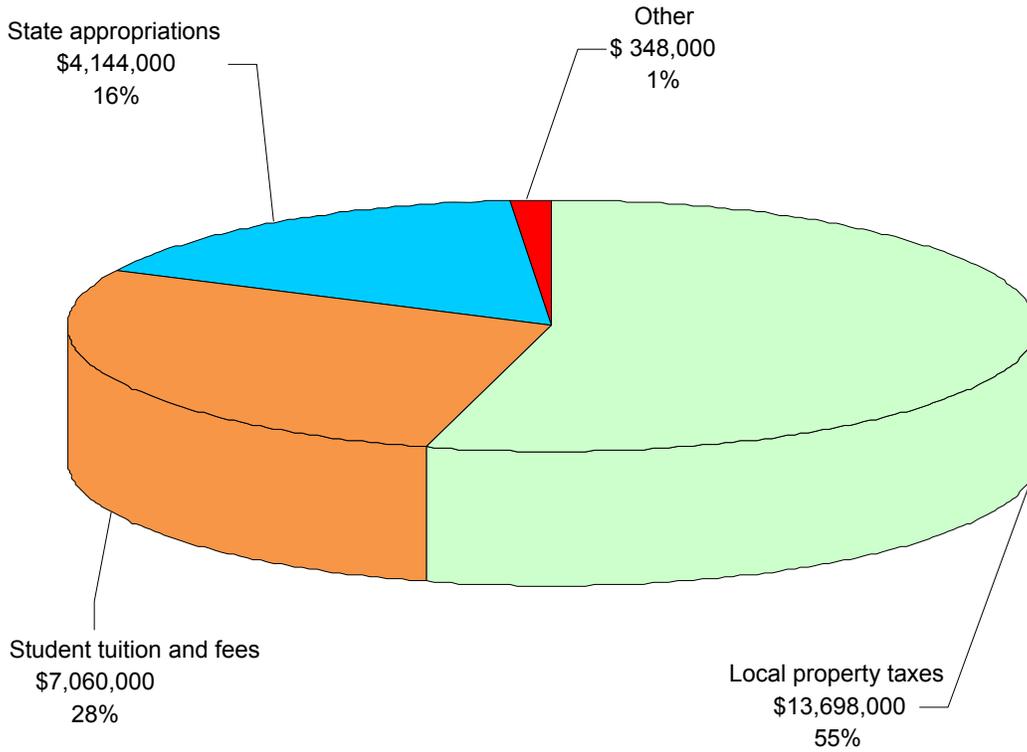
\* See glossary at end of report for definition.

# USE OF EDUCATIONAL PROGRAM RESOURCES

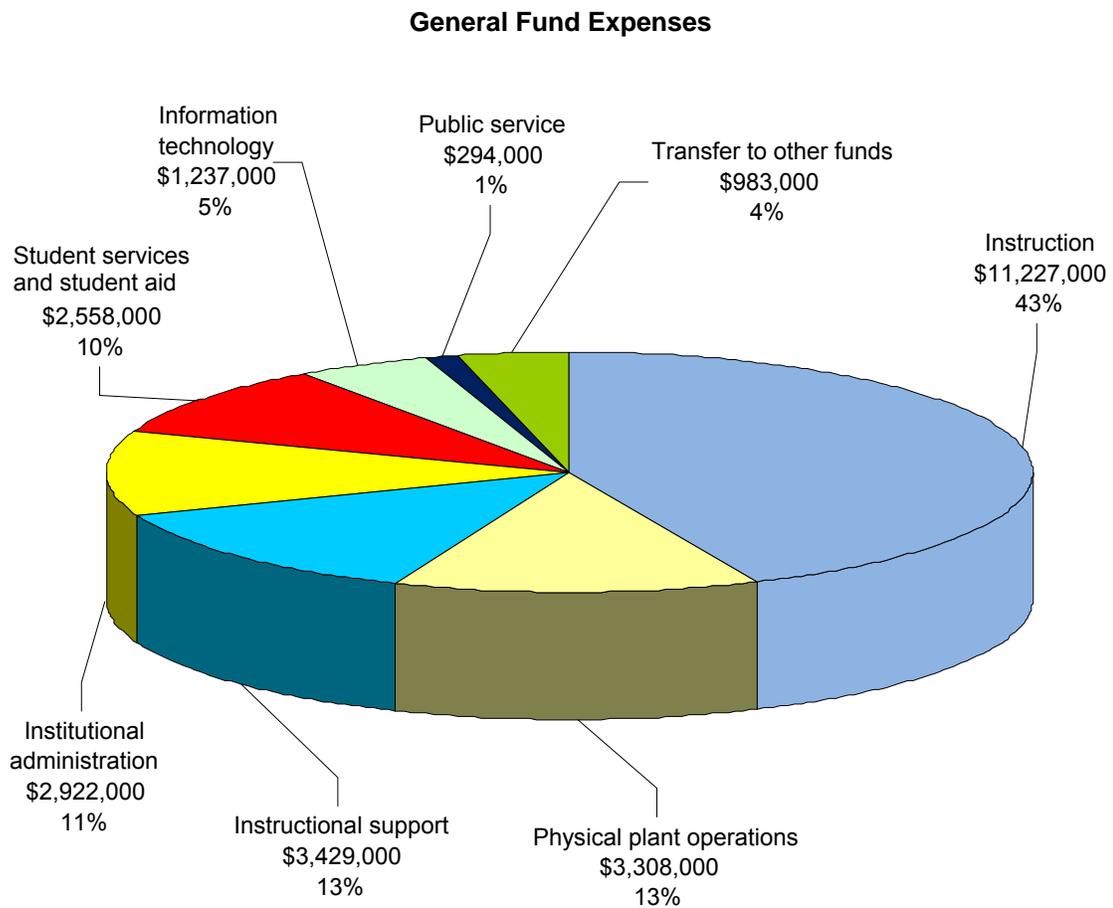
## COMMENT

**Background:** The College primarily receives its general fund revenues for educational programs from local property taxes, student tuition and fees, and State appropriations. The following chart shows the amount and percentage of each funding source for the fiscal year ended June 30, 2009:

**General Fund Revenues**



The College's general fund primarily supports its costs for instruction, instructional support, physical plant operations, institutional administration, and student services and student aid. The following chart shows the amount and percentage of general fund expenses for the fiscal year ended June 30, 2009:



**Audit Objective:** To assess the efficiency of the College's use of educational program resources.

**Audit Conclusion:** **The College was efficient in its use of educational program resources.** However, our assessment disclosed a reportable condition related to repetitive course enrollments (Finding 1).

## **FINDING**

### **1. Repetitive Course Enrollments**

The College had not developed a formal policy to address repetitive course enrollments and their impact on student academic progress\* and the College's efficient use of resources.

Generally, repetitive course enrollments can indicate a lack of academic progress and result in an inefficient use of resources. Revenue generated from tuition and fees paid by students represented 28% of the College's total revenue. Allowing students to repetitively enroll in the same course results in the inefficient use of State and local resources, which account for 71% of the College's total revenue.

We analyzed the academic histories of students enrolled from fall semester 2007 through spring semester 2009. Our analysis disclosed 834 instances (related to 684 students) in which students enrolled in one or more of 86 courses three or more times.

The following table shows examples of the course title, the number of students with three or more enrollments, and the range of times students enrolled in the courses:

<u>Course Title</u>	<u>Number of Students</u>	<u>Range of Times Enrolled</u>
English Composition I and II	186	3 - 8
Introduction to Political Science	117	3 - 6
General Psychology	65	3 - 5
Beginning Algebra	60	3 - 6
Intermediate Algebra	38	3 - 7
Introduction to CIS	37	3 - 7
Basic Math	34	3 - 4
Accounting Principles	32	3 - 5

\* See glossary at end of report for definition.

## **RECOMMENDATION**

We recommend that the College develop a formal policy to address repetitive course enrollments and their impact on student academic progress and the College's efficient use of resources.

## **AGENCY PRELIMINARY RESPONSE**

The College agrees and will review the concept of limiting the number of times a student may repeat a course. The College informed us that it has a process for identifying and counseling students who are not making satisfactory progress. According to the College, students are monitored until a level of good academic standing is achieved. The College also informed us that, when necessary, students are advised to repeat a failed course in order to improve their grade point averages.

# GLOSSARY

## Glossary of Acronyms and Terms

<b>academic progress</b>	The progression toward completion of coursework required for a degree or certificate program.
<b>developmental courses</b>	Courses that provide academically under-prepared students with skills they need to succeed in college-level courses. Developmental courses provide learning strategies designed to improve or overcome any marked deficiency in basic competencies, including a deficiency in content previously taught but not learned.
<b>effectiveness</b>	Success in achieving mission and goals.
<b>extension center</b>	An educational facility in a location other than the main campus at which credit and non-credit courses are offered.
<b>internal control</b>	The plan, policies, methods, and procedures adopted by management to meet its mission, goals, and objectives. Internal control includes the processes for planning, organizing, directing, and controlling program operations. It includes the systems for measuring, reporting, and monitoring program performance. Internal control serves as a defense in safeguarding assets and in preventing and detecting errors; fraud; violations of laws, regulations, and provisions of contracts and grant agreements; or abuse.
<b>minimum class enrollment</b>	The class enrollment level below which the College evaluates whether it is in the best interest of the College to hold the class.

<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 program operations, to facilitate decision making by parties responsible for overseeing or initiating corrective action, and to improve public accountability.
<b>repetitive course enrollment</b>	To enroll in a subsequent semester in the same course that a student previously has been enrolled in.
<b>reportable condition</b>	A matter that, in the auditor's judgment, 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 objectives of the audit; 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.







