

EXECUTIVE DIGEST

BUREAU OF LEGAL SERVICES

INTRODUCTION

This report, issued in February 2001, contains the results of our performance audit* of the Bureau of Legal Services (BLS), Department of State.

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*.

BACKGROUND

BLS's mission* includes providing legal research and counsel to the Secretary of State and due process services afforded to Michigan residents under State law. This includes working with the Department of Attorney General on litigation and other court action that affect the Department of State. In addition, BLS provides audit and enforcement oversight within the Department of State and screened information from the Department's computer files to qualified agencies and individuals.

BLS consists of the Administrative Law Division, Compliance and Rules Division, Driver License Appeal Division, Enforcement Division, Information Services Division, and Internal Audit Division (IAD).

BLS had 90 employees as of August 31, 2000 and was appropriated approximately \$6.8 million for the fiscal year ended September 30, 2000.

AUDIT OBJECTIVES,
AND CONCLUSIONS

Audit Objective: To assess BLS's efforts in providing effective and efficient legal counsel and due process services.

Conclusion: We concluded that BLS provided effective and efficient legal counsel and due process services. Our report does not include any reportable conditions* related to this objective.

Audit Objective: To assess the effectiveness and efficiency of BLS's audit and enforcement operations.

Conclusion: We concluded that BLS's audit operations were generally effective and efficient. However, we noted reportable conditions related to the employee time reporting system, risk assessments, and a travel policy (Findings 1 through 3). We also concluded that BLS's enforcement operations were generally effective and efficient. However, we noted reportable conditions related to the monitoring of case investigations and special license plates internal control* (Findings 4 and 5).

Audit Objective: To assess the effectiveness and efficiency of BLS's processing of requests for driver, vehicle, and other information maintained by the Department.

Conclusion: We concluded that BLS's processing of requests for driver, vehicle, and other information

maintained by the Department was effective and efficient. Our report does not include any reportable conditions related to this objective.

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Bureau of Legal Services. 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 scope did not include an examination of IAD's requirements under the International Registration Plan, which was audited separately by the Office of the Auditor General. The related audit report was issued in May 1999.

Our audit procedures included an examination of BLS's records and activities primarily for the period October 1, 1998 through March 31, 2000.

We conducted a preliminary review of BLS's operations to gain an understanding of its activities. We reviewed applicable laws, regulations, policies, and procedures to gain an understanding of internal control related to pertinent BLS functions. We used this information to perform a risk assessment in order to determine which areas to audit and the extent of our detailed analysis and testing.

We reviewed BLS's procedures for assigning legal case investigations, hearings, and Enforcement Division cases and analyzed related documentation to verify timely completion.

We reviewed IAD's annual audit plans, analyzed selected internal audit reports and supporting documentation, and verified IAD's compliance with applicable professional auditing standards*.

We analyzed documentation related to the Information Services Division's processing of information requests and verified that appropriate fees were charged to customers for the requests.

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

Our report contains 5 findings and 5 corresponding recommendations. BLS's preliminary response indicated that it agreed with all of the recommendations.

BLS complied with 2 of the 3 prior audit recommendations. The other recommendation was rewritten for inclusion in this report.