



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit
Including the Provisions of the Single Audit Act

Report Number:
 31-100-06

Department of Education

October 1, 2003 through September 30, 2005

Released:
 June 2006

A Single Audit is designed to meet the needs of all financial report users, including an entity's federal grantor agencies. The audit determines if the financial schedules and/or financial statements are fairly presented; considers internal control over financial reporting and internal control over federal program compliance; determines compliance with State compliance requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.

Financial Schedules and Financial Statements:

Auditor's Reports Issued

We issued unqualified opinions on the Department's financial schedules and on the School Aid Fund's financial statements.

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Internal Control Over Financial Reporting

We identified reportable conditions related to internal control over financial reporting (Findings 1 and 2).

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**Noncompliance or Other Matters
 Material to the Financial Schedules
 and/or Financial Statements**

We did not identify any instances of noncompliance or other matters applicable to the financial schedules and/or financial statements that are required to be reported under *Government Auditing Standards*.

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Federal Awards:

Auditor's Reports Issued on Compliance

We audited 18 programs as major programs and issued 3 qualified and 15 unqualified opinions. The opinions issued by major program are identified on the back of this summary.

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Internal Control Over Major Programs

We identified reportable conditions related to internal control over major programs (Findings 3 through 9). We consider Findings 3 through 6 to be material weaknesses.

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Required Reporting of Noncompliance

We identified instances of noncompliance that are required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Findings 3 through 9).

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Systems of Accounting and Internal Control:

We determined that the Department was not in substantial compliance with

Sections 18.1483 - 18.1487 of the Michigan Compiled Laws (Finding 1).

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We audited the following programs as major programs:

<u>CFDA Number</u>	<u>Program or Cluster Title</u>	<u>Compliance Opinion</u>
10.550	Food Donation	Unqualified
10.553, 10.555, 10.556, and 10.559	Child Nutrition Cluster	Unqualified
10.558	Child and Adult Care Food Program	Unqualified
10.565	Commodity Supplemental Food Program	Unqualified
10.568 and 10.569	Emergency Food Assistance Program Cluster	Unqualified
84.010	Title I Grants to Local Educational Agencies	Unqualified
84.011	Migrant Education - State Grant Program	Qualified
84.027 and 84.173	Special Education Cluster	Unqualified
84.181	Special Education - Grants for Infants and Families with Disabilities	Unqualified
84.213	Even Start - State Educational Agencies	Unqualified
84.282	Charter Schools	Qualified
84.287	Twenty-First Century Community Learning Centers	Unqualified
84.318	Education Technology State Grants	Unqualified
84.332	Comprehensive School Reform Demonstration	Unqualified
84.348	Title I Accountability Grants	Unqualified
84.352	School Renovation Grants	Unqualified
84.365	English Language Acquisition Grants	Qualified
84.369	Grants for State Assessments and Related Activities	Unqualified

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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