



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

*Financial Audit*  
*Including the Provisions of the Single Audit Act*

Report Number:  
 471-0100-10

*Department of Corrections*

*October 1, 2007 through September 30, 2009*

Released:  
 June 2010

*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 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:**

**Auditor's Report Issued**

We issued an unqualified opinion on the Department of Corrections' (DOC's) financial schedules.

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**Internal Control Over Financial Reporting**

We did not report any findings related to internal control over financial reporting.

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**Noncompliance and Other Matters  
 Material to the Financial Schedules**

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

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**Federal Awards:**

**Auditor's Reports Issued on Compliance**

We audited 2 programs (including 1 ARRA related program) as major programs and reported known questioned costs of \$53,131. DOC expended a total of \$199.3 million in federal awards during the two-year period ended September 30, 2009. We issued 2 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

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**Internal Control Over Major Programs**

We identified a significant deficiency in internal control over federal program compliance (Finding 1). We do not consider this significant deficiency to be a material weakness.

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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 (Finding 1).

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**Systems of Accounting and Internal Control:**

We determined that DOC was in substantial compliance with Sections 18.1483 - 18.1487 of the Michigan Compiled Laws.

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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>
10.553 and 10.555	Child Nutrition Cluster	Unqualified
84.397	ARRA - State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	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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