



OAG

Office of the Auditor General

201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • <http://audgen.michigan.gov>

Doug A. Ringler, CPA, CIA
Auditor General

September 1, 2015

Dear Governor Snyder, Senators, and Representatives:

This letter provides information regarding the status of our audit projects that either began or transitioned into new audit phases during August 2015. Please refer to our website's [Work in Process](#) for a complete listing of ongoing projects. Although you will no longer receive individual letters reporting the start of audits or approved audit objectives, we would be pleased to discuss with you any interests or areas of concern you have with any of our ongoing projects.

Planning Phase – These are new projects. Typical activities include conducting: the audit entrance meeting; a preliminary survey to identify the audited entity's core activities; assessments of risks and corresponding controls to identify potential program or process improvements or deficiencies; interviews with management and staff, development of detailed audit objectives, and many other tasks.

Department	Audit Title and Type (Performance – per / Financial – fin / Follow-up - fol / Contracted - con)	Project Number
Health and Human Services	Interstate Compact Programs - (per)	431-0273-15

Audits Terminated – For these projects, after completing the planning phase, we concluded that significant risk did not exist to warrant additional use of audit resources or that extenuating circumstances supported the termination of the project. We issued a Preliminary Survey Summary to reflect this conclusion, distributed copies to management and select legislative members, and posted the summaries on our website.

Department	Audit Title and Type	Project Number
None		

Audit Fieldwork – Typical activities include: additional management and staff interviews; detailed testing of financial transactions, case files, information systems, and other documentation which support the entity's operations; status updates with management and staff; and other tasks.

Department	Audit Title and Type	Project Number
Corrections and Technology, Management, and Budget	Trust Accounting and Payroll System, Department of Corrections and Department of Technology, Management, and Budget - (per)	471-0526-15
Approved Objectives:		
1. To assess the effectiveness of DOC's security and access controls over TAPS.		
2. To assess the sufficiency of TAPS for processing prisoner accounts.		
3. To assess the effectiveness of DOC and DTMB's efforts to ensure the accuracy of TAPS data.		

Department	Audit Title and Type	Project Number
Environmental Quality	Medical Waste, Solid Waste, and Scrap Tire Programs, Office of Waste Management and Radiological Protection – (per)	761-0330-15
Approved Objectives:		
1. To assess the effectiveness of OWMRP's efforts to ensure that medical waste producers are registered and disposing of medical waste properly.		
2. To assess OWMRP's compliance with selected laws, policies, and procedures related to the Solid Waste Management Program and the Scrap Tire Regulatory Program.		
3. To assess the sufficiency of OWMRP's process for awarding Scrap Tire Grants.		
4. To assess the effectiveness of OWMRP's efforts to monitor projects funded with Scrap Tire Grants.		

Department	Audit Title and Type	Project Number
Licensing and Regulatory Affairs	Michigan Occupational Safety and Health Administration (MIOSHA) - (per)	641-0440-15
Approved Objectives:		
1. To assess the effectiveness of MIOSHA's enforcement of occupational health and safety standards.		
2. To assess the effectiveness of MIOSHA's administration of equipment, grants, appeals, and employee discrimination complaints.		

Department	Audit Title and Type	Project Number
Military and Veterans Affairs	Grand Rapids Home for Veterans - (per)	511-0170-15
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the sufficiency of the Home's provision of member care services. 2. To assess the effectiveness of the Home's administration of pharmaceuticals. 3. To assess the effectiveness of the Home's management of complaints and incidents regarding member care. 4. To assess the sufficiency of the Home's controls over collection of assessments, donations, and member funds. 		

Department	Audit Title and Type	Project Number
State Police and Technology, Management, and Budget	Law Enforcement Information Network (LEIN), Michigan Department of State Police and Department of Technology, Management, and Budget – (per)	551-0597-15
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of MSP and DTMB's security and access controls over LEIN. 2. To assess MSP and DTMB's controls to ensure the accuracy and completeness of data entered into LEIN. 3. To assess the sufficiency of MSP's audits and reviews of LEIN data. 		

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Clarety System, Office of Retirement Services - (per)	071-0521-15
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of efforts to ensure the accurate, complete, and timely processing of retirement data by Clarety. 2. To assess the effectiveness of security and access controls over Clarety. 3. To assess the effectiveness of efforts to implement appropriate change controls over Clarety. 		

Department	Audit Title and Type	Project Number
Treasury	Michigan Education Trust, Plan D - (fin)	271-0283-16
Treasury	Michigan Education Trust, Plans B and C - (fin)	271-0284-16
Treasury	Michigan Strategic Fund - (fin)	271-0401-16
Treasury	Michigan Economic Development Corporation - (fin)	271-0406-15

Approved Objectives:

1. To express an opinion on whether the entity's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. To issue a report on internal control over financial reporting and on compliance and other matters in accordance with generally accepted government auditing standards.

Department	Audit Title and Type	Project Number
Treasury and Technology, Management, and Budget	Investment-Related Systems, Bureau of Investments, Department of Treasury and Department of Technology, Management, and Budget – (per)	271-0585-15

Approved Objectives:

1. To assess the effectiveness of BOI and DTMB's security and access controls over the Q2 system.
2. To assess the effectiveness of BOI's access controls over the Bloomberg AIM system.

Department	Audit Title and Type	Project Number
Treasury	Gaming Control Board - (per)	271-0900-15

Approved Objectives:

1. To assess the sufficiency of MGCB's regulatory and enforcement activities for charitable gaming and the three casinos in Detroit.
2. To assess the sufficiency of MGCB's monitoring activities for tribal gaming to ensure compliance with tribal and State gaming compacts, federal law, and related consent judgments.

Please note that some projects, particularly financial audits and follow-up reports, operate from pre-established audit objectives and, therefore, move directly to the audit fieldwork stage.

Report Preparation – Typical activities include: preparing the draft audit report, discussion of draft findings with the audited entity, receipt of the entity's preliminary responses to findings, and other tasks.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Estimated Audit Release Date</u>
Corrections	Bellamy Creek Correctional Facility - (per)	471-0208-15	October 2015

Audits Released

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Date Released</u>	<u>Number of</u>	
				<u>Material Weaknesses</u>	<u>Reportable Conditions</u>
None					

Although we report this information to you on a monthly basis, we immediately correspond with management and staff as our projects transition through the various stages referenced above.

Please contact me or Laura Hirst, Deputy Auditor General, at (517) 334-8050 if you have questions regarding this summary or wish to discuss specific audit projects.

Sincerely,



Doug Ringler
Auditor General