



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

March 2, 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 February 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
Corrections	Substance Abuse Services - (per)	471-0360-15
State Police	Commercial Vehicle Enforcement Division - (per)	551-0144-15
Technology, Management, and Budget	Real Estate Division - (per)	071-0126-15
Transportation	Consultant Procurement Process - (per)	591-0211-15
Treasury	Corporate Income Tax - (per)	271-0240-15
Treasury	Bureau of Local Government Services - (per)	271-0290-15
Universities	State Universities' Reporting of Selected Higher Education Institutional Data Inventory - (per)	331-0300-15

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. 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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Education	Office of Professional Preparation Services - (fol)	313-0140-10F
Human Services	Families First of Michigan Program - (fol)	431-2784-13F

Purpose:

To determine whether the entities had taken appropriate corrective measures in response to the material conditions noted within the original audit reports.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Legislature	Michigan Legislative Retirement System - (fin)	900-0140-15
Treasury	Emergency 9-1-1 Fund - (fin)	271-0265-15

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.

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>
Community Health	Certificate of Need Program - (per)	391-0644-14	April 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>
Technology, Management, and Budget	State of Michigan Deferred Compensation Plan (401K) - (fin)	071-0156-15	02/03/15	0	0
Technology, Management, and Budget	State of Michigan Deferred Compensation Plan (457) - (fin)	071-0157-15	02/03/15	0	0
Transportation	Office of Rail - (per)	591-0195-14	02/13/15	1	6
Treasury	Michigan Economic Development Corporation - (fin)	271-0406-15	02/13/15	0	0
Corrections	Marquette Branch Prison - (per)	471-0205-14	02/18/15	0	5
Technology, Management, and Budget	Michigan State Employees' Retirement System - (fin)	071-0151-15	02/19/15	0	0
Technology, Management, and Budget	Michigan Public School Employees' Retirement System - (fin)	071-0152-15	02/19/15	0	0
Technology, Management, and Budget	Michigan Judges' Retirement System - (fin)	071-0153-15	02/19/15	0	0
Technology, Management, and Budget	Michigan State Police Retirement System - (fin)	071-0154-15	02/19/15	0	0
Licensing and Regulatory Affairs	Oversight of Health Professions, Bureau of Health Care Services - (per)	641-0430-14	02/20/15	3	3
Transportation	Monitoring of Warranties and Road and Bridge Construction Projects - (per)	591-0210-14	02/20/15	3	1

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,

A handwritten signature in blue ink that reads "Doug Ringler". The signature is written in a cursive style with a large, prominent "D" and "R".

Doug Ringler
Auditor General