



# OAG

Office of the Auditor General

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**Doug A. Ringler, CPA, CIA**  
Auditor General

February 1, 2016

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 January 2016. 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.

<b>Department</b>	<b>Audit Title and Type</b> (Performance – per / Financial – fin / Follow-up - fol / Contracted - con)	<b>Project Number</b>
Health and Human Services	Children's Protective Services - Investigations - (per)	431-1285-16
Health and Human Services	Follow-Up of Adult Protective Services - (fol)	431-2601-13F
Licensing and Regulatory Affairs	Follow-Up of Adult Foster Care and Homes for the Aged - (fol)	431-5115-14F
Licensing and Regulatory Affairs	Medical Marijuana Program - (per)	641-0435-16
Licensing and Regulatory Affairs	Wage and Hour Program - (per)	641-0442-16
Natural Resources	Campground Central Reservation System - (per)	751-0591-16
State Police	Michigan Justice Training Fund - (fin)	551-0101-16
Transportation	Follow-Up of Office of Rail - (fol)	591-0195-14F
Transportation	Follow-Up Monitoring of Warranties and Road and Bridge Construction Projects - (fol)	591-0210-14F
Transportation	Road and Bridge Construction Project Management - (per)	591-0360-16
Treasury and Technology, Management, and Budget	Motor Fuel System - (per)	271-0525-16
Universities	State Public Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data, State Budget Office - (per)	331-0300-16

**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
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund, Michigan Liquor Control Commission - (fin)	641-0161-16
<b>Approved Objectives:</b>		
<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>		

Department	Audit Title and Type	Project Number
State Police	Michigan Justice Training Fund, Michigan Commission on Law Enforcement Standards - (fin)	551-0101-16
<b>Approved Objectives:</b>		
<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>		

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.

<b>Department</b>	<b>Audit Title and Type</b>	<b>Project Number</b>	<b>Estimated Audit Release Date</b>
Corrections and Technology, Management, and Budget	Trust Accounting Payroll System, Department of Corrections and Department of Technology, Management, and Budget - (per)	471-0526-15	March 2016
Health and Human Services	Children's Special Health Care Services - (per)	391-0724-15	March 2016
Treasury	Transition in the Office of State Treasurer - (fin)	271-0256-15	March 2016

### Audits Released

<b>Department</b>	<b>Audit Title and Type</b>	<b>Project Number</b>	<b>Date Released</b>	<b>Number of</b>	
				<b>Material Weaknesses</b>	<b>Reportable Conditions</b>
Transportation	Office of Passenger Transportation - (per)	591-0180-15	1/11/2016	0	4
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - Michigan Judges' Retirement System (Fiscal Year Ended September 30, 2015) - (fin)	071-0153-16	1/22/2016	NA	NA
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - Michigan State Police Retirement System (Fiscal Year Ended September 30, 2015) - (fin)	071-0154-16	1/22/2016	NA	NA
Legislature	Report on Internal Control, Compliance, and Other Matters - Michigan Legislative Retirement System (Fiscal Year Ended September 30, 2015) - (fin)	900-0140-16	1/22/2016	NA	NA
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters for the State of Michigan 401k Plan for the Fiscal Year Ended September 30, 2015 - (fin)	071-0156-16	1/25/2016	NA	NA
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters for the State of Michigan 457 Plan for the Fiscal Year Ended September 30, 2015 - (fin)	071-0157-16	1/25/2016	NA	NA

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Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Licensing and Regulatory Affairs	Michigan Occupational Safety and Health Administration (MIOSHA) - (per)	641-0440-15	1/26/2016	0	2
Talent and Economic Development	Unemployment Insurance Agency - Administration Fund - Management Letter for the Fiscal Year Ended September 30, 2015 - (con)	NA	1/29/2016	NA	NA
Talent and Economic Development	Unemployment Insurance Agency - Administration Fund - Unemployment Compensation and Contingent Funds - Management Letter for the Fiscal Year Ended September 30, 2015 - (con)	NA	1/29/2016	NA	NA
Treasury	Michigan Finance Authority - (fin)	271-0340-16	1/29/2016	NA	NA

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