



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

November 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 October 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
None		

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
Legislature	Michigan Legislature - Combining Schedules of Sources and Disposition of General Fund Authorizations - FY 2016 and 2015 - (con)	NA
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
Education	Great Start Readiness Program - (per)	313-0260-15
Approved Objectives:		
1. To assess MDE's compliance with selected GSRP application and allocation requirements.		
2. To assess the effectiveness of MDE's oversight of GSRP to ensure that a quality preschool is provided to eligible children.		
3. To assess the adequacy of MDE's efforts to evaluate the effectiveness of GSRP.		

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.

Department	Audit Title and Type	Project Number	Estimated Audit Release Date
State	Licensing and Regulation of Automotive-Related Businesses and Mechanics - (per)	231-0701-15	November 2015
Corrections	Oaks Correctional Facility - (per)	471-0222-15	December 2015
Technology, Management, and Budget	Physical Security and Environmental Controls Over IT Resources - (per)	071-0500-15	December 2015

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Corrections	Bellamy Creek Correctional Facility - (per)	471-0208-15	10/20/2015	0	4
Education	Office of Professional Preparation Services - (fol)	313-0140-10F	10/20/2015	0	1
Health and Human Services	Youth Transitioning From Foster Care to Self-Sufficiency - (fol)	431-0279-11F	10/22/2015	0	1
Talent and Economic Development	Michigan State Housing Development Authority - Financial Report for the Fiscal Year Ended June 30, 2015 - (con)	NA	10/26/2015	NA	NA
Licensing and Regulatory Affairs	Self-Insurers' Security Fund, Report on Internal Control, Compliance, and Other Matters - (fin)	641-0101-15	10/30/2015	2	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,



Doug Ringler
Auditor General