



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit

Report Number:
47-100-02

*Including the Provisions of the Single Audit Act
October 1, 1999 through September 30, 2001*

Department of Corrections (DOC)

Released:
June 2002

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 State compliance 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 DOC's financial schedules.

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Internal Control Over Financial Reporting

We did not identify any material weaknesses in internal control over financial reporting. However, we did identify reportable conditions (Findings 1 and 2).

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**Noncompliance Material to
the Financial Schedules**

We did not identify any instances of noncompliance 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 4 programs as major programs and issued 2 unqualified opinions and 2 qualified opinions. The types of opinions issued by federal program are identified on the back of this summary.

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Internal Control Over Major Programs

We identified material weaknesses in internal control over major programs (Findings 3 and 4).

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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 (Findings 3 and 4).

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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 Title</u>	<u>Compliance Opinion</u>
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants	Unqualified
16.593	Residential Substance Abuse Treatment for State Prisoners	Qualified
16.606	State Criminal Alien Assistance Program	Unqualified
84.002	Adult Education - State Grant Program	Qualified

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: www.state.mi.us/audgen/



Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

James S. Neubecker, C.P.A., C.I.A., D.P.A.
Executive Deputy Auditor General

Michael J. Mayhew, C.P.A.
Deputy Auditor General for Audits