

EXECUTIVE DIGEST

DEPARTMENT OF ATTORNEY GENERAL

INTRODUCTION

This report contains the results of our financial audit*, including the provisions of the Single Audit* Act, of the Department of Attorney General for the period October 1, 1998 through September 30, 2000.

AUDIT PURPOSE

This financial audit of the Department was conducted as part of the constitutional responsibility of the Office of the Auditor General and is required on a biennial basis by Act 251, P.A. 1986, to satisfy the requirements of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

BACKGROUND

The principal duties of the Attorney General include acting as legal counsel to all State departments, agencies, boards, commissions, officers, and employees; representing the Legislature and the courts when they are sued; and intervening in any litigation when the public interest is involved. The Health Care Fraud Division is responsible for administering the federal program. Responsibilities related to federal grant reporting and the accounting function are performed by the Office of Fiscal Management. The Office of Human Resources is

responsible for the agency's personnel and payroll functions.

For fiscal year 1999-2000, the Department's expenditures totaled approximately \$47 million. As of September 30, 2000, the Department had 559 full-time equated employees within 44 divisions.

AUDIT OBJECTIVES
AND CONCLUSIONS

Audit Objective: To audit the Department's financial schedules and to examine the supplemental financial schedules, including the schedule of expenditures of federal awards, in relation to the Department's financial schedules for the fiscal years ended September 30, 2000 and September 30, 1999.

Conclusion: We expressed an unqualified opinion* on the Department's financial schedules. In addition, we expressed an unqualified opinion on the Department's supplemental financial schedules, including the schedule of expenditures of federal awards, in relation to the financial schedules taken as a whole.

Audit Objective: To assess and report on the Department's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the financial schedules, and on its internal control* over financial reporting, based on our audit of the financial schedules.

Conclusion: Our assessment of compliance did not disclose any instances of noncompliance that could have a direct and material effect on the financial schedules. Also, our assessment of internal control

over financial reporting did not disclose any material weaknesses*.

In addition, our assessment indicated that the Department was in substantial compliance with the requirements set forth in Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws* pertaining to its systems of internal accounting and administrative control.

Audit Objective: To assess and report on the Department's compliance with requirements applicable to each major federal program and on its internal control over compliance in accordance with OMB Circular A-133.

Conclusion: We issued an unqualified opinion on the Department's compliance with requirements applicable to the Department's major federal program. Also, our assessment of internal control over compliance applicable to the Department's major federal program did not disclose any material weaknesses.

AUDIT SCOPE

Our audit scope was to examine the financial and other records of the Department of Attorney General for the period October 1, 1998 through September 30, 2000. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

PRIOR AUDIT
FOLLOW-UP

There were no findings or recommendations in the prior Department of Attorney General Single Audit report.