



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/



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