



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

**Financial Audit**

*Including the Provisions of the Single Audit Act  
 October 1, 2001 through September 30, 2003*

**Department of Corrections**

Report Number:  
 47-100-04

Released:  
 June 2004

*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 the Department of Corrections' (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 through 4).

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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*. However, we did identify an immaterial instance of noncompliance (Finding 3).

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**Federal Awards:**

**Auditor's Reports Issued on Compliance**

We audited 4 programs as major programs and issued 1 unqualified opinion, 2 qualified opinions, and 1 disclaimer of opinion. The opinions issued by major program are identified on the back of this summary.

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**Internal Control Over Major Programs**

We identified reportable conditions related to internal control over major programs (Findings 5 through 10). We consider Findings 5 through 7 to be material weaknesses.

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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 5 through 10).

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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>
16.579	Byrne Formula Grant Program	Disclaimer
16.586	Violent Offender Incarceration and Truth in Sentencing Incentive Grants	Unqualified
16.593	Residential Substance Abuse Treatment for State Prisoners	Qualified
84.331	Grants to States for Incarcerated Youth Offenders	Qualified

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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