



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
07-131-05

Statewide Cost Allocation Plan

Department of Management and Budget

Released:
March 2006

The State of Michigan's Statewide Cost Allocation Plan (SWCAP) is the mechanism by which the State identifies, summarizes, and allocates unbilled indirect costs in a logical and systematic manner. The SWCAP also includes financial and billing rate information for billed central services directly charged to agencies or programs. The SWCAP is required for the State to obtain reimbursement from the federal government for Statewide indirect costs.

Audit Objective:

To assess the Department of Management and Budget's (DMB's) effectiveness in the implementation of the SWCAP.

Audit Conclusion:

We concluded that DMB effectively implemented the SWCAP. Our report does not include any reportable conditions related to this audit objective.

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Audit Objective:

To assess the effectiveness of DMB's process for assessment and recovery of central service costs.

Audit Conclusion:

We concluded that DMB was effective in assessing and recovering central service costs. However, our audit disclosed reportable conditions related to compliance with U.S. Office of Management and Budget (OMB) Circular A-87 (Finding 1) and establishment of billing rates (Finding 2).

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Agency Response:

Our audit report contains 2 findings and 3 corresponding recommendations. DMB's preliminary response indicated that it agreed with all of our recommendations.

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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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