



Michigan
Office of the Auditor General
REPORT SUMMARY

Financial Audit

Including the Provisions of the Single Audit Act

Report Number:
251-0100-07

Department of History, Arts and Libraries

October 1, 2004 through September 30, 2006

Released:
June 2007

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 History, Arts and Libraries' (HAL's) financial schedules.

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Internal Control Over Financial Reporting

We identified a reportable condition related to internal control over financial reporting. (Finding 1) We do not consider this reportable condition to be a material weakness.

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**Noncompliance and Other Matters
Material to the Financial Schedules**

We identified an instance of noncompliance or other matters applicable to the financial schedules that is required to be reported under *Government Auditing Standards* (Finding 2). In addition, we noted a reportable condition (Finding 3).

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Federal Awards:

Auditor's Reports Issued on Compliance

We audited 3 programs as major programs and identified known questioned costs of approximately \$1.4 million. HAL expended a total of approximately \$13.6 million in federal awards during the two-year period ended September 30, 2006. We issued 2 unqualified opinions and 1 adverse 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 a reportable condition related to internal control over major programs (Finding 4). We consider Finding 4 to be a material weakness.

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Required Reporting of Noncompliance

We identified an instance of noncompliance that is required to be reported in accordance with U.S. Office of Management and Budget (OMB) Circular A-133 (Finding 4).

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Systems of Accounting and Internal Control:

We determined that HAL 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>
15.904	Historic Preservation Fund Grants-In-Aid	Adverse
45.025	Promotion of the Arts - Partnership Agreements	Unqualified
45.310	Grants to States	Unqualified

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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