



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

*Performance Audit*

Report Number:  
 231-0234-06

*Bureau of Information Security*

Released:  
 March 2008

*Department of State*

*The mission of the Bureau of Information Security (BIS), Department of State, is to deter and detect the inappropriate use of Departmental assets, particularly information and records, created and maintained by the Department of State. The Department of State collects personal information as part of administering and enforcing sections of the Michigan Vehicle Code. In addition, the Department of State collects the fees and taxes provided for in the Michigan Vehicle Code and General Sales Tax Act.*

***Audit Objective:***

To assess the effectiveness of BIS's efforts in investigating potential violations of laws, rules, and regulations pertaining to Department of State records and programs.

***Audit Conclusion:***

BIS's efforts in investigating potential violations of laws, rules, and regulations pertaining to Department of State records and programs were moderately effective. We noted two reportable conditions (Findings 1 and 2).

***Reportable Conditions:***

BIS procedures did not include criteria to identify which fraud cases should be referred to local law enforcement agencies for prosecution (Finding 1).

BIS did not effectively manage its caseload of open investigations to ensure timely

completion of investigations involving potential violations of laws, rules, and regulations (Finding 2).

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***Audit Objective:***

To assess BIS's effectiveness in auditing programs and operations that are intended to safeguard Department of State records and assets.

***Audit Conclusion:***

BIS was effective in auditing programs and operations that are intended to safeguard Department of State records and assets. However, we noted one reportable condition (Finding 3).

***Reportable Condition:***

BIS did not effectively plan, document, and budget for its branch office audits (Finding 3).

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**Audit Objective:**

To assess BIS's effectiveness in administering International Registration Plan (IRP) audits.

**Audit Conclusion:**

BIS's administration of IRP audits was moderately effective. We noted three reportable conditions (Findings 4 through 6).

**Reportable Conditions:**

BIS did not select IRP registrants for audit in accordance with IRP audit guidelines (Finding 4).

BIS had not established procedures to help ensure the timely issuance of IRP audit reports to IRP registrants (Finding 5).

BIS did not always impose assessments on registrants who maintained unacceptable mileage records. In addition, BIS had not clearly defined its assessment policies for registrants with unacceptable mileage records. (Finding 6)

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**Agency Response:**

Our audit report contains 6 findings and 7 corresponding recommendations. The Department's preliminary response indicates that it agrees with all of the recommendations and has complied or will comply with them.

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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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