



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

*Financial Audit  
Including the Provisions of the Single Audit Act*

Report Number:  
751-0100-08

*Department of Natural Resources*

*October 1, 2005 through September 30, 2007*

Released:  
January 2009

*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 requirements material to the financial schedules and/or financial statements; and assesses compliance with direct and material requirements of the major federal programs.*

**Financial Statements and Financial Schedules:**

**Auditor's Reports Issued**

We issued unqualified opinions on the Department of Natural Resources' (DNR's) financial statements and financial schedules.

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**Internal Control Over Financial Reporting**

We identified a significant deficiency in internal control over financial reporting (Finding 1). We do not consider this significant deficiency to be a material weakness.

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**Noncompliance and Other Matters  
Material to the Financial Statements  
and/or Financial Schedules**

We did not identify any instances of noncompliance applicable to the financial statements and/or 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 6 programs as major programs and reported known questioned costs of \$2,706,279 and known and likely questioned costs totaling \$2,775,034. DNR expended a total of \$81.7 million in federal awards during the two-year period ended September 30, 2007. We issued 4 unqualified opinions and 2 qualified opinions. 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 significant deficiencies in internal control over federal program compliance (Findings 2 through 7). We consider Findings 5 and 7 to contain 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 2 through 7).

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**Systems of Accounting and Internal Control:**

We determined that DNR 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 or Cluster Title</u>	<u>Compliance Opinion</u>
10.664	Cooperative Forestry Assistance	Unqualified
10.665	Schools and Roads - Grants to States	Unqualified
15.605 and 15.611	Fish and Wildlife Cluster	Unqualified
15.634	State Wildlife Grants	Qualified
15.916	Outdoor Recreation - Acquisition, Development and Planning	Unqualified
97.012	Boating Safety Financial Assistance	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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