



Michigan
Office of the Auditor General
REPORT SUMMARY

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

Report Number:
313-0100-10

Michigan Department of Education

October 1, 2007 through September 30, 2009

Released:
June 2010

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 Schedules and Financial Statements:

Auditor's Reports Issued

We issued unqualified opinions on the Michigan Department of Education's (MDE's) financial schedules and on the School Aid Fund's financial statements.

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Internal Control Over Financial Reporting

We identified significant deficiencies in internal control over financial reporting (Findings 1 through 3). We consider Finding 1 to be a material weakness.

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

We did not identify any instances of noncompliance or other matters applicable to the financial schedules and/or financial statements that are required to be reported under *Government Auditing Standards*.

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Federal Awards:

Auditor's Reports Issued on Compliance

We audited 18 programs as major programs and identified known questioned costs of \$12.1 million. MDE expended and distributed a total of \$3.7 billion in federal awards during the two-year period ended September 30, 2009. We issued 18 unqualified opinions. The federal programs audited as major programs are identified on the back of this summary.

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Internal Control Over Major Programs

We identified significant deficiencies related to internal control over federal program compliance (Findings 4 through 8 and 10 through 17). We do not consider these significant deficiencies 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 the U.S. Office of Management and Budget (OMB) Circular A-133 (Findings 4 through 17).

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Systems of Accounting and Internal Control:

We determined that MDE was in substantial compliance with Sections 18.1483 - 18.1487 of the *Michigan Compiled Laws*.

We audited the following programs as major programs:

<u>CFDA Number</u>	<u>Program or Cluster Title</u>	<u>Compliance Opinion</u>
10.550	Food Donation	Unqualified
10.558	Child and Adult Care Food Program	Unqualified
10.565	Commodity Supplemental Food Program	Unqualified
	<u>Emergency Food Assistance Cluster:</u>	Unqualified
10.568	• Emergency Food Assistance Program (Administrative Costs)	
10.568	• ARRA - Emergency Food Assistance Program (Administrative Costs)	
10.569	• Emergency Food Assistance Program (Food Commodities)	
10.569	• ARRA - Emergency Food Assistance Program (Food Commodities)	
	<u>Title I, Part A Cluster:</u>	Unqualified
84.010	• Title I Grants to Local Educational Agencies	
84.389	• ARRA - Title I Grants to Local Educational Agencies, Recovery Act	
	<u>Special Education Cluster (IDEA):</u>	Unqualified
84.027	• Special Education - Grants to States	
84.173	• Special Education - Preschool Grants	
84.391	• ARRA - Special Education Grants to States, Recovery Act	
84.392	• ARRA - Special Education - Preschool Grants, Recovery Act	
84.048	Career and Technical Education - Basic Grants to States	Unqualified
	<u>Early Intervention Services (IDEA) Cluster:</u>	Unqualified
84.181	• Special Education - Grants for Infants and Families	
84.393	• ARRA - Special Education - Grants for Infants and Families, Recovery Act	
84.186	Safe and Drug-Free Schools and Communities - State Grants	Unqualified
84.282	Charter Schools	Unqualified
84.298	State Grants for Innovative Programs	Unqualified
84.318	Education Technology State Grants	Unqualified
84.357	Reading First State Grants	Unqualified
84.365	English Language Acquisition Grants	Unqualified
84.366	Mathematics and Science Partnerships	Unqualified
84.367	Improving Teacher Quality State Grants	Unqualified
84.369	Grants for State Assessments and Related Activities	Unqualified
	<u>State Fiscal Stabilization Fund Cluster:</u>	Unqualified
84.394	• ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	

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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