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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

STEVEN H. HILFINGER
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emailed 11/7/11 (ael)

November 7, 2011

Mr. Doug Ringler, Director
Office of Internal Audit Services
Department of Management & Budget
Romney Building – Seventh Floor
111 S. Capitol, P.O. Box 30026
Lansing, Michigan 48909

Dear Mr. Ringler:

We are enclosing our response to comments made in the Office of the Auditor General's Financial Audit Including the Provisions of the Single Audit Act of the Michigan Department of Energy, Labor & Economic Growth (DELEG), now known as Department of Licensing and Regulatory Affairs (LARA) for the period October 1, 2008 through September 30, 2010.

If you have any questions regarding this report, please feel free to call me at 636-0287.

Sincerely,

(SIGNED)

Allen Williams, Director
Office of Audit & Financial Compliance
Finance and Administrative Services

Enclosure

cc: Distribution List
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AUDIT RESPONSE SUMMARY

Financial Audit Including the Provisions of the Single Audit Act Michigan Department of Energy, Labor & Economic Growth (October 1, 2008 through September 30, 2010)

I. Citations complied with:

- # 1.
- # 5.
- # 6.
- # 7.
- # 8.
- # 9.
- # 10.
- # 11.
- #13a.
- #13b.
- #13e.
- # 14a.

II. Citations to be complied with:

- # 2a. – December 31, 2011
- # 2b. – December 31, 2011
- # 2c. – December 31, 2011
- # 2d. – April 30, 2012
- # 2e. – December 31, 2011
- # 2f. – December 31, 2011
- # 3. – December 31, 2011
- # 4. – December 31, 2011
- # 12. – December 31, 2011
- # 13c. – March 31, 2012
- # 13d. – March 31, 2012
- # 14b. – October 1, 2011

III. Citations agency disagrees with:

None

**Financial Audit Including the Provisions of the Single Audit Act
Michigan Department of Energy, Labor & Economic Growth (DELEG)
(October 1, 2008 through September 30, 2010)
Agency Response**

1. Internal Control over Processing of Payroll Transactions

DELEG employee's time and activity reports were processed without approval by employees' direct supervisors. The expenditure amount associated with the unapproved time totaled \$14.6 million and \$18.3 million in fiscal years 2009-10 and 2008-09, respectively. This internal control deficiency occurred because DELEG, in conjunction with DTMB, had not developed and used a monitoring tool, such as a query for each pay period, to identify all unapproved and unauthorized time and activity reports.

Agency Response: The Department of Licensing & Regulatory Affairs (LARA) agrees with the finding and has complied.

Human Resources now routinely make considerable contact with managers and personnel liaisons to ensure that all timesheets are properly approved. This contact consists primarily of e-mails sent to managers and liaisons that include notification of the need for approval of timesheets on a timely basis by appropriate supervisory authority. A Human Resources (HR) manager reviews a report of unapproved timesheets at least monthly to ensure that all timesheets are approved, and she calls those time keeping units (TKUs) whose managers have unapproved timesheets. Additionally, Data Collection Distribution System (DCDS) security has been modified, as necessary, so that employee timesheets are showing in the appropriate supervisor's approval box; this eliminates the need for managers to try to find in the "all employees" queue timesheets that they are responsible to approve. (NOTE: timesheets for Michigan Commission for the Blind (MCB) staff are manually assigned, so HR does not contact the managers of employees in those TKUs).

2. Comprehensive Information Technology (IT) Security Program

DELEG, (in conjunction with DTMB) has yet to implement the following elements of a comprehensive IT security program:

- a. Perform a security categorization for 6 of 7 information systems.*
- b. Complete risk assessments for 6 of 7 information systems.*
- c. Prepare information system security plans for the seven systems reviewed.*
- d. Prepare and test disaster recovery plans (or obtain plan documentation from contractors) for 6 of 7 systems.*
- e. Improve evaluation and reporting of the effectiveness of information system security by completing biennial internal control evaluations for 4 of 7 systems.*
- f. Assign a security officer responsibility for implementing application security management controls.*

Updated Agency Response: LARA and DTMB agree with this finding and will comply by implementing the following corrective actions:

- a. The DIT-0170 security plan and assessment guidelines were released July 31, 2007. All subsequent modifications will invoke review. DTMB ensures that all development and enhancement to existing systems have a security review and follow all DTMB security processes. The legacy systems are being systematically updated to be in accordance with DTMB policies and guidelines. In addition, security categorizations for all seven of the above referenced systems were completed during LARA's 2011 COSO Internal Control Evaluation process. The expected date of full compliance is December 31, 2011.
- b. Risk assessments are part of the DIT-0170 security plan and assessment guidelines. All subsequent system modifications will invoke review. DTMB ensures that all development and enhancement to existing systems have a security review and follow all DTMB security processes. The legacy systems are being systematically updated to be in accordance with DTMB policies and guidelines. Risk assessments were also completed for all of the systems that were assessed as "critical" during LARA's 2011 COSO Internal Control Evaluation process. The expected date of full compliance is December 31, 2011.
- c. LARA will work with DTMB to ensure that security plans are developed for each of the seven systems. The expected date of full compliance is December 31, 2011.
- d. DTMB will document the current disaster and recovery plans and assess them to ensure that they meet DTMB policy and guidelines. DTMB will also work with vendors to validate their disaster and recovery plans and to ensure that any required compensating controls are in place. The expected date of full compliance is April 30, 2012.
- e. LARA has educated its bureau management on the importance of completing risk assessments of information technology systems during its 2011 COSO Internal Control Evaluation process. Bureaus' management were provided feedback letters citing deficiencies and LARA's internal control officer will further follow up as needed. The expected date of full compliance is December 31, 2011.
- f. LARA's Office of Audit & Financial Compliance has been delegated with the role of data privacy and security officer. This office is currently working with DTMB and LARA management to establish and implement security management standards and controls. Once baseline security controls are established, the office will conduct ongoing monitoring and review to ensure critical data systems and sensitive data are exposed only to those who have a need to know the information and a duty to protect it. The expected date of full compliance is December 31, 2011.

3. Third Party Service Organizations

DELEG management responsible for oversight of each TPSO did not document the method of assessing internal control at the TPSO or conclusions regarding TPSO internal control. In addition, the TPSO contracts did not require the establishment and evaluation of the internal control system.

Updated Agency Response: LARA agrees and will comply.

DTMB has boilerplate contract language that requires the third party service organization to adhere to DTMB security guidelines and processes and procedures. DTMB and LARA will ensure that these controls are followed and that compensating controls are in place to ensure adherence to State of Michigan policies. LARA's Office of Audit & Financial Compliance will thoroughly review both Third Party Service Organization (TPSO) contracts and internal control assessments (submitted by bureaus); and will follow up when necessary. The expected date of full compliance is December 31, 2011.

4. C3 Application Access Controls

DELEG, in conjunction with DTMB, had not established effective access controls over the C3 system, including:

- a. Documenting the C3 system's security controls*
- b. Granting C3 system users only the minimum access required for users to perform their job duties.*
- c. Establishing a system access process that requires individuals requesting access be granted specific security roles and parameters to ensure only authorized system access.*
- d. Establishing a process to periodically review the propriety of each C3 system user's access.*
- e. Improve the effectiveness of the C3 system's password rules and other security parameters.*

Updated Agency Response: LARA agrees and will comply.

LARA is working together with DTMB to resolve all issues cited above. The expected date of compliance is December 31, 2011.

5. MARS Selected General Controls

DELEG, in conjunction with DTMB, had not established effective access controls over the MARS system, including:

- a. *Restricting one MARS software developer's access to the MARS production system.*
- b. *Monitoring the activities of MARS privileged users; specifically those activities that could bypass internal controls.*

Updated Agency Response: LARA agrees and has complied.

LARA has worked together with DTMB to improve the internal control deficiencies cited above. Specifically, this included:

- The referenced software developer no longer has access to the MARS production system and actions will be taken to prevent future reoccurrences.
- Incompatible functions were taken away from the Super User (Requesting Cash function).
- Incompatible functions were taken away from Accountants (formerly able to modify the Recipient Profile, Certifying Cash Requests, and Certifying Expenditure Reports).
- Additional controls were implemented where appropriate.

6. Employment Service Cluster, Including ARRA – Employment Service/Wagner-Peyser Funded Activities, CFDA 17.207, 17.801, 17.804

As discussed more fully in Finding 1, DELEG did not ensure that payroll costs, including federally funded payroll expenditures, were properly approved. We identified known questioned costs totaling \$73,340.

Updated Agency Response: LARA agrees with the finding and has complied by implementing corrective action.

Human Resources now routinely make considerable contact with managers and personnel liaisons to ensure that all timesheets are properly approved. This contact consists primarily of e-mails sent to managers and liaisons that include notification of the need for approval of timesheets on a timely basis by appropriate supervisory authority. An HR manager reviews a report of unapproved timesheets at least monthly to ensure that all timesheets are approved, and she calls those TKUs whose managers have unapproved timesheets. Additionally, DCDS security has been modified, as necessary, so that employee timesheets are showing in the appropriate supervisor's approval box; this eliminates the need for managers to try to find in the "all employees" queue timesheets that they are responsible to approve. (NOTE: timesheets for MCB staff are manually assigned, so HR does not contact the managers of employees in those TKUs).

7. WIA Cluster, Including ARRA – WIA Adult Program, ARRA – WIA Youth Activities, ARRA – WIA Dislocated Workers, CFDA 1.258, 17.259, 17.260, and 17.278

Internal controls did not ensure compliance with federal laws and regulations in the following aspects:

- a. *As discussed more fully in Finding 1, DELEG did not ensure that payroll costs, including federally funded payroll expenditures, were properly approved. We identified known questioned costs totaling \$63,914.*
- b. *DELEG did not ensure that WIA Program recorded payroll expenditures based on actual activity. As a result, we identified question costs of \$33,472.*

Agency Response: LARA agrees with the finding and has complied by implementing corrective action.

- a. Human Resources now routinely make considerable contact with managers and personnel liaisons to ensure that all timesheets are properly approved. This contact consists primarily of e-mails sent to managers and liaisons that include notification of the need for approval of timesheets on a timely basis. An HR manager reviews a report of unapproved timesheets at least monthly to ensure that all timesheets are approved, and she calls those whose managers who have unapproved timesheets. Additionally, DCDS security has been modified, as necessary, so that employee timesheets are showing in the appropriate supervisor's approval box; this eliminates the need for managers to try to find in the "all employees" queue timesheets that they are responsible to approve.
- b. LARA has instructed staff (including those within the Workforce Development Agency, which is now part of Michigan Economic Development Corporation) to utilize DCDS to bi-weekly record time activity based upon actual statistics.

8. Occupational Safety and Health – State Program and ARRA – Occupational Safety and Health – State Program, CFDA 17.503

As discussed more fully in Finding 1, DELEG did not ensure that payroll costs, including federally funded payroll expenditures, were properly approved. We identified known questioned costs totaling \$17,820.

Agency Response: LARA agrees with the finding and has complied by implementing corrective action.

LARA has worked with Human Resource staff to address this issue. The Agency and Human Resources now make a concerted effort to monitor all payroll transactions for accuracy, timeliness and appropriate supervisory approvals. Monitoring is done bi-weekly using DCDS system query reports and email reminders are sent to managers with delinquent approvals.

Payroll costs that were questioned in the audit were confirmed to be applicable to the OSHA and ARRA-OSHA programs and were only questioned by the auditors because they initially lacked electronic approvals. Accordingly, LARA does not expect the questioned costs to be disallowed. Corrective action on this matter is complete.

9. State Energy Program (SEP) and ARRA – State Energy Program, CFDA 81.041

Internal controls did not ensure compliance with federal laws and regulations in the following aspects:

- a. *DELEG did not ensure that SEP recorded payroll expenditures based on actual activity. As a result, we identified question costs of \$133,158.*
- b. *DELEG did not ensure that SEP approved payroll transactions. We identified known questioned costs totaling \$153,635.*

Updated Agency Response: LARA and the State Energy Office (which is now under the Michigan Economic Development Corporation) agree with this finding and have complied by implementing corrective action.

- a. LARA has instructed staff (including those within the State Energy Office), to utilize the DCDS system to bi-weekly record time activity based upon actual statistics. It should also be noted, the State Energy Office was able to retroactively assemble documentation which support the majority of the costs questioned in the report.
- b. Human Resources now make a concerted effort to monitor all payroll transactions for accuracy, timeliness and appropriate supervisory approvals. Monitoring is done at least monthly using DCDS system query reports and an email reminder is sent to any manager needing to take action. It should also be noted, payroll costs that were questioned in the audit were confirmed to be applicable to the SEP program; and thus should not be subject to disallowance.

10. ARRA – Energy Efficient Appliance Rebate Program (EEARP), CFDA 81.127

DELEG charged the time for 2 EEARP employees to multiple federal awards using predetermined payroll cost distributions for which DELEG neither adjusted the amount of predetermined payroll cost distributions to reflect actual costs nor maintained employee personnel activity reports or equivalent documentation to reflect actual activity. During the audit period, these 2 employees were paid \$14,256 using predetermined payroll cost distributions from the EEARP, which we will consider to be known questioned costs.

Updated Agency Response: LARA and the State Energy Office (which is now under the Michigan Economic Development Corporation) agree with this finding and have complied by implementing corrective action.

The two employees cited for questioned costs are no longer charged to this program. The agency acknowledges that it was inappropriate to forego periodically adjusting the predetermined payroll costs to reflect actual costs. However, it was able to retroactively confirm using alternate means (personally maintained time activity logs and employee/supervisor statements) that the amounts charged were consistent with the predetermined rates used during the period. Accordingly, LARA contends that the questioned costs should not be disallowed.

The agency also recently implemented newly established procedures for federal and state grant time and activity reporting that will ensure future compliance with Office of Management & Budget (OMB) Circular A-87.

11. ARRA – Energy Efficiency and Conservation Block Grant Program (EECBG), CFDA 81.128

DELEG charged the time for four EECBG employees to multiple federal awards using predetermined payroll cost distributions for which DELEG neither adjusted the amount of predetermined payroll cost distributions to reflect actual cost nor maintained employee personnel activity reports or equivalent documentation to reflect actual activity. During the audit period, these four employees were paid \$34,671 using predetermined payroll cost distributions from EECBG, which we will consider to be known questioned costs.

Updated Agency Response: LARA and the State Energy Office (which is now under the Michigan Economic Development Corporation) agree with this finding and have complied by implementing corrective action.

The agency acknowledges that it was inappropriate to forego adjusting the predetermined payroll costs to reflect actual costs. However, it was able to retroactively confirm (using unofficial means) that the amounts charged appeared to be consistent with the predetermined rates used during the period. Accordingly, LARA contends that the questioned costs should not be disallowed.

The agency has also implemented newly established procedures for federal and state grant time and activity reporting that will ensure future compliance with OMB Circular A-87.

12. Adult Education – Basic Grants to States, CFDA 84.002

Our review identified the following significant deficiencies pertaining to DELEG's subrecipient monitoring:

- a. Not sufficiently documenting the review of program expenditures during its on-site monitoring visits.*
- b. Writing conclusions on the on-site monitoring financial review form that did not sufficiently support the recommendations contained in the monitoring report issued to the subrecipients.*

- c. *Not determining compliance with applicable cost principles for 1 of 8 subrecipient monitoring files reviewed.*
- d. *Not sufficiently addressing required eligibility criteria (i.e. participant age and secondary school status) on the participant eligibility review form when reviewing participant files.*
- e. *Not sufficiently documenting conclusions as to whether subrecipients adequately documented the eligibility of the participant to receive Adult Education Program services on the participant eligibility review form for 6 of 8 on-site monitoring reviews.*

Updated Agency Response: LARA and the Workforce Development Agency (which is now under the Michigan Economic Development Corporation) agree and will comply.

WDA is revising its financial review process and procedures that will document and summarize the data and information gathering method during on-site review. The Compliance Review Manual is being revised to include: revised review forms with additional eligibility requirement criteria and sanctions that will determine the consequence of not meeting the WDA monitoring and compliance guidelines based on on-site monitoring findings. For example, if a sub-recipient fails to submit the corrective action plan (CA) within the stipulated timeframe the sub-recipient will be penalized based on our guidelines. The manual is being proofed for completeness. The estimated date of compliance is December 31, 2011.

13. Vocational Rehabilitation Cluster, Including ARRA – Rehabilitation Services – Vocational Rehabilitation Grants to States, Recovery Act, CFDA 84.126 and CFDA 84.390

DELEG's internal control does not ensure compliance with federal laws and regulations in the following aspects:

- a. *Activities Allowed or Unallowed – DELEG entered into memorandums of understanding (MOUs) with another DELEG bureau in which all of the activity identified in the MOU did not meet the requirements of costs associated with the State plan. Although the activity described in the MOUs benefit Vocational Rehabilitation Cluster customers, the activity is not provided specifically to Vocational Rehabilitation customers. Questioned costs total \$718,442.*
- b. *Allowable Costs/Cost Principles - DELEG internal control did not ensure that the Vocational Rehabilitation Cluster approved payroll transactions. We identified known questioned costs totaling \$745,609.*
- c. *Eligibility - DELEG counselors did not determine eligibility within required time frames (60 days) for 3 of 25 customers.*
- d. *Procurement and Suspension and Debarment - DELEG's internal control did not ensure that vendors without a contract for the Vocational Rehabilitation Cluster were not suspended or debarred before a payment was issued.*
- e. *Matching, Level of Effort, and Earmarking - DELEG's internal control did not ensure that funds used for matching were allowable for the Vocational Rehabilitation Cluster. As a result, we identified questioned costs of \$22,737,860.*

Updated Agency Response: LARA agrees with this the finding and is in the process of complying.

- a. Michigan Rehabilitation Services (MRS) relied on the advice and recommendations from the U.S. Department of Education, Rehabilitation Services Administration (RSA) Regional Office in Chicago in establishing and implementing the partnership agreement with the Michigan Commission on Disability Concerns (MCDC); which MRS had for more than 15 years. With RSA's advice, MRS partnered and worked with MCDC in a cooperative manner for both program coordination and income match. The Agreement withstood many single financial audits and RSA on-site reviews. For example, during the 2004 RSA monitoring review, third party cooperative agreements were a focus area and RSA reviewed the MCDC agreement at that time. No findings or corrective actions were reported so MRS continued the agreement until the RSA visit in 2009.

Upon receiving verbal communication from RSA during the May 1, 2009, exit meeting, MRS began taking progressive steps to transition the MCDC agreement to bring it into compliance under the new guidance. The transition process was implemented in steps (as opposed to immediate) because the arrangement had been in place for more than 15 years and communication occurred late in the fiscal year. The first step was to work with MCDC staff to clarify documentation requirements for the remainder of fiscal year (FY) 2008-09. For FY 2009-2010, a new agreement was written, which was reviewed and approved by RSA, to align MCDC's activities to eligible Title I activities. Next, MRS worked with staff to clarify activities and documentation requirements for the new agreement. These efforts resulted in a 50% reduction of unallowable activities from FY 2008-09 to FY 2009-10.

LARA and MRS continued to monitor MCDC activities for compliance with the new agreement. After recognizing that MCDC was not 100% compliant with the agreement, the agreement was discontinued and LARA management transferred MCDC organizationally to MRS. As of April 25, 2011, MCDC was transferred out of MRS to the Michigan Department of Civil Rights (via executive order) and LARA/MRS no longer has an agreement with them or responsibility for them.

This same information was provided to RSA as part of MRS' corrective action plan, which RSA approved on August 4, 2011. LARA considers this issue to be closed and does not expect any disallowed costs to result from this finding.

- b. LARA and Civil Service Commission Office of Human Resources (OHR) are working together to establish proper internal control over the payroll transaction processing to ensure that time is properly certified at the end of the each pay period. This includes OHR running a query report (approximately monthly) that tracks unapproved time activity and sending e-mail reminders to managers and liaisons that need to approve time. All internal control issues have been addressed and thus no disallowed costs should result. LARA has complied with this portion of the finding.

- c. Federal regulation 34 CFR 361.41(b) states that once an individual has submitted an application for vocational rehabilitation services, an eligibility determination must be made within 60 days. The MRS State Plan, approved by RSA, contains a 90 percent standard for determining eligibility within 60 days. During OAG's review of case files during the single audit period they identified 3 of 25 cases which did not meet the 60 day eligibility determination (or a compliance rate of 88 percent). MRS' FY 11 2nd Quarter Statewide Casework Review Data shows a 94 percent compliance rate in determining eligibility.

In an effort to maintain the compliance rate for determining eligibility within 60 days, MRS will review cases periodically and coach and counsel staff as needed. Implementation of these changes will start immediately and continue on an ongoing basis. The estimated date of full compliance is March 31, 2012.

- d. Federal regulation 34 CFR 85.300 requires DELEG to verify that an entity is not suspended or debarred by checking the federal Excluded Parties List System, collecting a certification from that entity, or adding a clause or condition to the covered transaction with that entity. MRS staff thought that this was being verified by Department of Management and Budget staff. Now that we are aware that it is our responsibility, as a corrective action, MRS will add the following language to its vendor authorization form which is signed by the vendor every time a payment is authorized in the AWARE system: *"I certify that I am not currently debarred or suspended from government contracts and am otherwise compliant with the Government-wide Debarment and Suspension regulations provided at 34 CFR 85, subpart C."*

Due to delays in the release of AWARE versions 5.8 and 5.9 implementation of this corrective action is expected by March 31, 2012.

- e. During fiscal year 2008-09, MRS believed it was in compliance with existing RSA matching requirements based on past practices. During fiscal year 2008-09, RSA conducted a monitoring review and released a draft report September 2009. MRS began corrective action in fiscal year 2008-09 as follows:
- MRS immediately discontinued reporting funds it received from the Centers for Independent Living (CILs) via the Statewide Independent Living Council (SILC) for meeting its non-Federal share obligation of 21.3 percent of expenditures incurred under the Vocational Rehabilitation (VR) program upon receipt of the draft report, on September 16, 2009. Since this occurred two weeks prior to the end of the fiscal year, LARA was unable to make timely changes for late FY 2009 and early FY 2010; and thus does not feel that the questioned costs should be disallowed under these circumstances.
 - MRS has not used non-Federal expenditures under the IL-Part B program, incurred for the provision of IL-related services, to meet the non-Federal share requirement under the VR program pursuant to the State Match Collaborative Agreements. MRS has ceased using VR funds to pay for IL-related activities pursuant to the State Match Collaborative Agreements.

MRS will use allowable non-Federal expenditures from allowable sources to meet the non-Federal share requirement for the VR program, as required by 34 CFR 361.60(b), and will use VR funds solely for providing VR services and administering the VR program, as required by 34 CFR 361.3

- MRS ceased reporting non-Federal expenditures as match under the VR program when the non-Federal expenditures failed to comply with 34 CFR 361.28 or 34 CFR 361.60(b). Amended agreements were written and used by MRS as a source of non-Federal expenditures for meeting its non-Federal share obligation under the VR program in FY 2010. The agreements were provided to RSA for review shortly after receipt of the draft RSA Monitoring Report on September 16, 2009. This was two weeks prior to the end of the fiscal year. For FY 2009-10, RSA reviewed and approved the agreements; therefore, we believe they are valid third-party cooperative arrangements. LARA does not feel that the questioned costs should be disallowed under these circumstances.

All current third-party cooperative agreements, for purposes of meeting MRS' non-Federal share under the VR program, will comply with 34 CFR 361.28; and MRS will not use in-kind contributions for meeting the non-Federal share under the VR program in accordance with 34 CFR 361.60(b)

This same information was provided to RSA as part of our corrective action plan, which they approved on August 4, 2011. LARA believes it has complied with this portion of the finding.

14. Gaining Early Awareness and Readiness for Undergraduate Programs, CFDA 84.334

DELEG's internal control does not ensure compliance with federal laws and regulations in the following aspects:

- a. Allowable Costs/Cost Principles - DELEG internal control did not ensure that GEAR-UP approved payroll transactions. We identified known questioned costs totaling \$18,492.*
- b. Subrecipient Monitoring – DELEG conducted only 4 (20%) on-site monitoring visits of its subrecipients during the two year period ended September 30, 2010. According to DELEG's policy; it should have performed approximately 9 visits.*

Updated Agency Response: The Workforce Development Agency (which is now under the Michigan Economic Development Corporation) agrees with the finding and is in the process of complying.

a. The Agency has worked with Human Resources staff to address this issue. Payroll costs that were questioned in the audit were confirmed to be applicable and allowable to the GEAR-UP program. Accordingly, the agency does not feel that the questioned costs should be disallowed. The Agency and Human Resources now make a concerted effort to monitor all payroll

transactions for accuracy, timeliness and appropriate supervisory approvals. Monitoring is done at least monthly using DCDS system query reports and an email reminder is sent to any manager needing to take action. Corrective action on this matter has been completed.

b. The number and frequency of on-site monitoring visits has been increased; as staff has either completed, begun or will soon begin conducting the following schedule of 2011 GEAR-UP on-site visits: EMU – 7/26/11; UM-SSW – 8/1/11; UM-Flint – 8/2/11; UM-AA – 8/3/11; WSU – 8/10/11; FSU – 8/18/11; and CMU – 9/2011. This scheduled pace of on-site monitoring exceeds the annual goals stated in the agency’s policy. The estimated date of full compliance is October 1, 2011.