



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

**Financial Audit**

*Including the Provisions of the Single Audit Act*  
**Department of Military and Veterans Affairs**  
**(Revised)**

*October 1, 2005 through September 30, 2007*

Report Number:  
 511-0100-08F

Released:  
 December 2011

*This is our revised report of the Department of Military and Veterans Affairs' report issued July 10, 2008. Subsequent to the issuance date, additional information came to our attention that was present at the date of our previously-issued report that affected our independent auditor's reports dated June 27, 2008 on internal control over financial reporting and on the Department's compliance with requirements applicable to its major federal programs and on internal control over compliance in accordance with U.S. Office of Management and Budget (OMB) Circular A-133.*

**Financial Statements:**

**Auditor's Report Issued**

We issued an unqualified opinion on the Department's financial statements.

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**Internal Control Over Financial Reporting**

We identified significant deficiencies in internal control over financial reporting (Findings 1 and 3 through 6). We consider Finding 1 to contain a material weakness.

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**Noncompliance and Other Matters**

**Material to the Financial Statements**

We did not identify any instances of noncompliance or other matters applicable to the financial statements that are required to be reported under *Government Auditing Standards*. However, we did identify other instances of noncompliance (Findings 2, 5, and 6).

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**Federal Awards:**

**Revised Auditor's Reports Issued on Compliance**

We audited 3 programs as major programs and reported known questioned costs of \$1,623,108 and known and likely questioned costs totaling \$5,397,105. The Department expended a total of \$168.7 million in federal awards during the two-year period ended September 30, 2007. We issued 1 unqualified opinion 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 related to internal control over a major program (Findings 7 through 9). We consider Findings 8 and 9 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 OMB Circular A-133 (Findings 7 through 9).

***Systems of Accounting and Internal Control:***

We determined that the Department 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>
12.400	Military Construction, National Guard	Unqualified
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Qualified
12.404	National Guard Civilian Youth Opportunities	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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