



Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit
Real Estate Acquisitions, Dispositions, and
Land Holdings
Department of Natural Resources

Report Number:
751-0155-11

Released:
June 2012

The Department of Natural Resources (DNR) is authorized by Act 451, P.A. 1994, to control, manage, and dispose of State-owned lands and to accept gifts and grants of land and other property. DNR may buy, sell, exchange, or condemn land and other property on behalf of Michigan citizens. DNR manages 4.6 million acres (12.7% of the total State land area) consisting of State forests; game and wildlife areas; parks and recreation areas; boating, public water, and fishing access sites; and land used for other purposes that benefit the public.

Audit Objective:

To assess the effectiveness of DNR's efforts to ensure that real estate acquisitions, dispositions, and land holdings support DNR's mission and initiatives.

Audit Conclusion:

We concluded that DNR was moderately effective in its efforts to ensure that real estate acquisitions, dispositions, and land holdings support DNR's mission and initiatives. We noted two reportable conditions (Findings 1 and 2).

Reportable Conditions:

DNR's process to dispose of non-essential land holdings identified by its Land Ownership Strategy was not effective (Finding 1).

DNR should seek remedies, with the assistance of the Department of Corrections (DOC); the Department of Technology, Management, and Budget (DTMB); and the Governor's office, to

demolish, restore to recreational value, or sell vacated correctional facilities located on State-owned land. In addition, DNR did not always execute and maintain formal agreements with DOC that specified DOC's responsibilities for the maintenance, demolition, and restoration associated with the vacated correctional facilities located on State-owned land (Finding 2).

~ ~ ~ ~ ~

Audit Objective:

To assess the effectiveness of DNR's administration of real estate acquisition and disposition transactions.

Audit Conclusion:

We concluded that DNR was effective in its administration of real estate acquisition and disposition transactions. Our audit report does not include any reportable conditions related to this audit objective.

~ ~ ~ ~ ~

Agency Response:

Our audit report contains 2 findings and 3 corresponding recommendations. DNR's preliminary response indicates that it agrees with all 3 recommendations.

~ ~ ~ ~ ~

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>



Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

Scott M. Strong, C.P.A., C.I.A.
Deputy Auditor General