



Michigan
Office of the Auditor General
REPORT SUMMARY

Single Audit Report

Report Number:
000-0100-13

State of Michigan

Fiscal Year Ended September 30, 2012

Released:
June 2013

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 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 statements; and assesses compliance with direct and material requirements of the major federal programs.

Financial Statements:

Auditor's Report Issued

We issued unqualified opinions on the financial statements on the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Michigan.

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Internal Control Over Financial Reporting

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we did identify significant deficiencies. These findings are reported in the Report on Internal Control, Compliance, and Other Matters for the State of Michigan Comprehensive Annual Financial Report (071-0010-13).

We did not report any findings related to the schedule of expenditures of federal awards.

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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*.

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Federal Awards:

Auditor's Reports Issued on Compliance

We audited 37 programs as major programs and reported known questioned costs of \$12.3 million. The State expended a total of \$22.0 billion in federal awards during the fiscal year ended September 30, 2012. We issued 24 unqualified opinions, 9 qualified opinions, and 4 adverse opinions. The opinions issued by major program are identified on the following pages.

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Internal Control Over Major Programs

We identified material weaknesses in internal control over federal program compliance. We also identified significant deficiencies in internal control over federal program compliance. The findings are identified by major program on the following pages.

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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. The findings are identified by major program on the following pages.

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Identification of Major Programs, Type of Auditor's Report Issued on Compliance, Questioned Costs, and Audit Finding Numbers:

CFDA Number(s)	Name of Federal Program or Cluster	Opinion	Questioned Costs	Audit Finding Number(s)
10.551 and 10.561	SNAP Cluster, including ARRA	Qualified	Undeterminable	<u>2012-001</u> <u>2012-002</u> <u>2012-003</u>
10.553, 10.555, 10.556, and 10.559	Child Nutrition Cluster	Qualified	\$0	<u>2012-004</u> <u>2012-007</u> <u>2012-009</u> <u>2012-010</u> <u>2012-011</u> <u>2012-014</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	Unqualified	\$0	<u>2012-005</u> <u>2012-013</u>
10.558	Child and Adult Care Food Program	Qualified	\$0	<u>2012-004</u> <u>2012-007</u> <u>2012-009</u> <u>2012-010</u> <u>2012-011</u>
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Unqualified	\$955,952	<u>2012-015</u> <u>2012-016</u>
14.228 and 14.255	CDBG - State-Administered CDBG Cluster, including ARRA	Qualified	\$0	<u>2012-017</u> <u>2012-018</u> <u>2012-019</u> <u>2012-020</u> <u>2012-072</u>
20.205 and 20.219	Highway Planning and Construction Cluster, including ARRA	Qualified	\$0	<u>2012-012</u> <u>2012-021</u> <u>2012-022</u>
81.042	Weatherization Assistance for Low-Income Persons, including ARRA	Unqualified	\$0	<u>2012-006</u> <u>2012-012</u>
84.007, 84.032G, 84.032L, and 84.063	Student Financial Assistance Cluster	Unqualified	\$0	Not Applicable
84.010 and 84.389	Title I, Part A Cluster, including ARRA	Unqualified	\$0	<u>2012-004</u> <u>2012-007</u> <u>2012-009</u> <u>2012-010</u> <u>2012-011</u>
84.027, 84.173, 84.391, and 84.392	Special Education Cluster (IDEA), including ARRA	Unqualified	Undeterminable	<u>2012-004</u> <u>2012-007</u> <u>2012-009</u> <u>2012-010</u> <u>2012-011</u> <u>2012-023</u>
84.126	Vocational Rehabilitation Cluster	Unqualified	\$0	Not Applicable
84.377 and 84.388	School Improvement Grants Cluster, including ARRA	Unqualified	\$0	<u>2012-009</u> <u>2012-010</u> <u>2012-011</u> <u>2012-024</u>
84.048	Career and Technical Education - Basic Grants to States	Unqualified	\$0	<u>2012-004</u> <u>2012-007</u> <u>2012-009</u> <u>2012-010</u> <u>2012-011</u>
84.287	Twenty-First Century Community Learning Centers	Unqualified	\$0	<u>2012-004</u> <u>2012-009</u> <u>2012-010</u> <u>2012-011</u>

CFDA Number(s)	Name of Federal Program or Cluster	Opinion	Questioned Costs	Audit Finding Number(s)
84.367	Improving Teacher Quality State Grants	Unqualified	\$0	2012-004 2012-007 2012-009 2012-010 2012-011
84.410	Education Jobs Fund	Unqualified	\$0	2012-009 2012-010 2012-011
93.044, 93.045, and 93.053	Aging Cluster	Unqualified	\$0	2012-005 2012-027
93.558	TANF Cluster	Adverse	\$3,788,952	2012-001 2012-002 2012-003 2012-006 2012-008 2012-012 2012-013 2012-028 2012-029 2012-030 2012-031 2012-032 2012-033 2012-034 2012-035 2012-036 2012-037 2012-038 2012-039
93.575 and 93.596	CCDF Cluster	Adverse	\$2,307	2012-001 2012-002 2012-040 2012-041 2012-042 2012-043
93.775, 93.777, and 93.778	Medicaid Cluster, including ARRA	Adverse	\$6,962,774	2012-001 2012-002 2012-003 2012-013 2012-044 2012-045 2012-046 2012-047 2012-048 2012-049 2012-050 2012-051 2012-052 2012-053
93.563	Child Support Enforcement	Qualified	\$0	2012-006 2012-008 2012-012
93.566	Refugee and Entrant Assistance - State Administered Programs	Qualified	\$9,252	2012-001 2012-002 2012-012 2012-054 2012-055 2012-056 2012-057

CFDA Number(s)	Name of Federal Program or Cluster	Opinion	Questioned Costs	Audit Finding Number(s)
93.568	Low-Income Home Energy Assistance	Qualified	\$2,843	<u>2012-001</u> <u>2012-002</u> <u>2012-058</u> <u>2012-059</u>
93.658	Foster Care - Title IV-E, including ARRA	Unqualified	(\$59,875)	<u>2012-060</u> <u>2012-061</u> <u>2012-062</u> <u>2012-063</u>
93.659	Adoption Assistance	Qualified	Undeterminable	<u>2012-064</u>
93.667	Social Services Block Grant	Unqualified	\$99,505	<u>2012-006</u> <u>2012-061</u>
93.674	Chafee Foster Care Independence Program	Adverse	\$417,549	<u>2012-008</u> <u>2012-012</u> <u>2012-065</u> <u>2012-066</u> <u>2012-067</u> <u>2012-068</u>
93.767	Children's Health Insurance Program	Unqualified	\$0	Not Applicable
93.959	Block Grants for Prevention and Treatment of Substance Abuse	Unqualified	\$0	Not Applicable
93.994	Maternal and Child Health Services Block Grant to the States	Unqualified	\$0	<u>2012-005</u> <u>2012-013</u>
97.067	Homeland Security Grant Program	Unqualified	\$0	<u>2012-012</u> <u>2012-069</u>

Major Programs Audited by Others

CFDA Number(s)	Name of Federal Program or Cluster	Opinion	Questioned Costs	Audit Finding Number(s)
14.871	Housing Voucher Cluster	Unqualified	\$0	<u>2012-070</u> <u>2012-071</u>
14.256	ARRA - Neighborhood Stabilization Program (Recovery Act Funded)	Unqualified	\$0	<u>2012-072</u>
14.257	ARRA - Homelessness Prevention and Rapid Re-Housing Program (Recovery Act Funded)	Unqualified	\$0	Not Applicable
14.258	ARRA - Tax Credit Assistance Program (Recovery Act Funded)	Unqualified	\$0	Not Applicable
17.225	Unemployment Insurance, including ARRA	Unqualified	\$17,755	<u>2012-073</u> <u>2012-074</u>

Findings Related to Non-Major Programs

CFDA Number(s)	Name of Federal Program or Cluster	Opinion	Questioned Costs	Audit Finding Number(s)
84.365	English Language Acquisition State Grants	Not Applicable	\$12,965	<u>2012-025</u>
84.378	College Access Challenge Grant Program	Not Applicable	\$74,030	<u>2012-026</u>

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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