



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

Performance Audit

Report Number:  
271-0410-13

21st Century Jobs Trust Fund Programs

Michigan Strategic Fund

Released:  
September 2013

*The Michigan Strategic Fund Act (Act 270, P.A. 1984, as amended) creates programs that make investments and award grants and loans for the purposes of helping to diversify Michigan's economy, helping to create jobs, and providing for economic development. The Michigan Strategic Fund (MSF) Board contracted with the Michigan Economic Development Corporation to provide administrative services for all 21st Century Jobs Trust Fund programs. Section 125.2088n(1) of the Michigan Compiled Laws requires a periodic performance audit of these programs.*

**Audit Objective:**

To assess the effectiveness of MSF's and the Strategic Economic Investment and Commercialization Board's processes for awarding grants, loans, and contracts for economic development through the 21st Century Jobs Trust Fund programs.

**Audit Conclusion:**

We concluded that MSF's and the Strategic Economic Investment and Commercialization Board's processes for awarding grants, loans, and contracts for economic development through the 21st Century Jobs Trust Fund programs were effective. Our audit report does not include any reportable conditions related to this audit objective.

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**Audit Objective:**

To assess the effectiveness of MSF's efforts to monitor recipients' compliance with grant, loan, and contract requirements.

**Audit Conclusion:**

We concluded that MSF's efforts to monitor recipients' compliance with grant, loan, and contract requirements were moderately effective. We noted one reportable condition (Finding 1).

**Reportable Condition:**

MSF did not consistently ensure that recipients were in compliance with grant or contract provisions (Finding 1).

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**Audit Objective:**

To assess the effectiveness of MSF's efforts to evaluate the economic development outcomes of the 21st Century Jobs Trust Fund programs.

**Audit Conclusion:**

We concluded that MSF's efforts to evaluate the economic development outcomes of the 21st Century Jobs Trust Fund programs were moderately effective. We noted one reportable condition (Finding 2).

**Reportable Condition:**

MSF needs to improve its processes to assess the effectiveness of the programs administered under the 21st Century Jobs Trust Fund (Finding 2).

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**Audit Objective:**

To assess MSF's compliance with selected reporting requirements of the *Michigan Compiled Laws* for the 21st Century Jobs Trust Fund programs.

**Audit Conclusion:**

We concluded that MSF was in partial compliance with selected reporting requirements of the *Michigan Compiled Laws* for the 21st Century Jobs Trust Fund programs. We noted one reportable condition (Finding 3).

**Reportable Condition:**

MSF did not consistently report program information for the 21st Century Jobs Trust Fund programs that was correct and contained the significant disclosures necessary to fully understand the reported information (Finding 3).

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**Agency Response:**

Our audit report contains 3 findings and 3 corresponding recommendations. MSF's preliminary response indicates that it agrees with the 3 findings and will comply.

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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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