



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

MIKE ZIMMER
DIRECTOR

Emailed 6/6/16

June 1, 2016

Mr. Bryan Weiler, Acting Chief Internal Auditor
Office of Internal Audit Services
State Budget Office
George W. Romney Building – Sixth Floor
111 S. Capitol, P.O. Box 30026
Lansing, Michigan 48909

Dear Mr. Weiler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached are the summary table identifying our responses and our corrective action plans to address recommendations contained within the Office of the Auditor General's Performance Audit of the Michigan Occupational Safety and Health Administration (MIOSHA) (641-0440-15).

If you have any questions regarding this report, please feel free to call me at (517) 335-1976.

Sincerely,

(SIGNED)

Allan Pohl, Deputy Director, CFO

Enclosure

cc: Audit Distribution List
Wanda Stokes
Bart Pickelman
Bryan Weiler

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AUDIT RESPONSE SUMMARY

Performance Audit of the Michigan Occupational, Safety and Health Administration, Department of Licensing and Regulatory Affairs (LARA) (641-0440-15)

- I. Citations complied with:
 - #1
 - #2 Completed 4/29/2016

- II. Citations to be complied with:
 - None

- III. Citations agency disagrees with:
 - None

Finding #1

Recommendation

We recommend that MIOSHA improve its administration of CET grant awards.

Final Response:

LARA agrees with these findings and has taken corrective action.

With the FY 2016 grant cycle, we require all CET Grantees to submit a General Ledger detailing all grant related expenditures, along with their quarterly reports. The reports will be reviewed by the CET Grant Administrator to compare actual versus budgeted expenditures to ensure the appropriate use of state funds.

We have changed the language for the FY 2016 CET Grants as shown below:

- o “The Grantee agrees that all funds shown in the Budget (Attachment B) are to be spent as detailed in the Budget.
- o Changes in the Budget of less than 15% of the total line item amount do not require prior written approval, but Grantee must provide notice to the Grant Administrator.
- o Changes in the Budget equal to or greater than 15% of the total line item amount will be allowed only upon prior review and written approval by the Grant Administrator. A formal grant amendment must be signed by both the Grantor and Grantee.”

We believe this will ensure compliance with contractual obligations.

FINDING #2 –

Recommendation

We recommend that MIOSHA implement formal equipment inventory management policies and procedures.

Final Response:

LARA agrees with this finding.

We completed Procedure # “MIOSHA-ADM-15-5R1 which became effective 4/29/2016.