

## EXECUTIVE DIGEST

### EXECUTIVE OFFICE AND ADMINISTRATIVE SERVICES UNIT

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#### **INTRODUCTION**

This report contains the results of our performance audit of the Executive Office and Administrative Services Unit, Department of Agriculture, for the period December 1, 1991 through July 31, 1994.

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#### **AUDIT PURPOSE**

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness and efficiency.

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#### **BACKGROUND**

The department's executive office includes the director and executive staff, Affirmative Action Office, Michigan Agricultural Statistics Service unit, Right to Farm unit, agriculture environmental coordinator, State Rural Development Council, and U.S. Department of Agriculture Data Collection Program. The executive office's responsibilities include providing leadership, direction, and guidance to the divisions and programs of the department.

The administrative services unit includes the Automated Services, Financial Services, Personnel, and Press and Public Affairs Divisions. The administrative services unit's responsibilities include providing computer-based technology and associated support services; financial support services including accounting, budgeting, auditing, and procurement; human resources support; and public information and communication services to the divisions and programs of the department.

For fiscal year 1993-94, the Legislature appropriated approximately \$11.4 million for the combined operations of the executive office and the administrative services unit. As of July 31, 1994, a total of 104 employees worked in the executive office and the administrative services unit.

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**AUDIT OBJECTIVE  
AND  
CONCLUSION**

**Audit Objective:** To assess the effectiveness and efficiency of the executive office's and the administrative services unit's operations for accomplishment of their goals and objectives.

**Conclusion:** We concluded that the executive office and the administrative services unit were generally effective and efficient in accomplishing their goals and objectives. However, the department had not established sufficient internal control procedures to safeguard data from unauthorized access and loss (Finding 1) or to prevent unauthorized access and use of the department's computerized information system (Finding 2). Also, the department did not control the recording of expenditures to ensure compliance with the *Michigan Compiled Laws* (Finding 3).

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**AUDIT SCOPE  
AND  
METHODOLOGY**

Our audit scope was to examine the program and other records of the executive office and the administrative services unit for the period December 1, 1991 through July 31, 1994. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our audit methodology included reviewing applicable statutes and regulations, program descriptions, and goals and objectives. We also reviewed and tested controls related to the department's computerized information system, the distribution of racing revenues, and other department records. We assessed and analyzed the department's methodology for evaluating and prioritizing Industry and Internal Audit responsibilities. In addition, we had discussions with agency personnel and assessed the adequacy of procedures and internal controls.

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**AGENCY  
RESPONSES  
AND PRIOR AUDIT  
FOLLOW-UP**

Our audit report includes 3 findings and 9 recommendations.

The department concurred with our recommendations.

The department had initiated action to comply or had complied with all 3 of the prior audit recommendations included in our current scope of audit.