

EXECUTIVE DIGEST

EXECUTIVE OFFICE

INTRODUCTION

This report contains the results of our financial audit of the Executive Office for the period October 1, 1990 through September 30, 1994.

AUDIT PURPOSE

This financial audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Financial audits are conducted at various intervals to permit the Auditor General to express an opinion on the State's financial statements.

BACKGROUND

The Executive Office includes the Governor and the Lieutenant Governor and their staffs. Executive Office activities are financed from the General Fund. The Office of Administrative Services, Department of Management and Budget, provides expenditure processing and payroll-personnel services to the Executive Office.

As of September 30, 1994, the Executive Office had 58 classified employees and 11 unclassified employees. Executive Office expenditures were \$4.3 million for fiscal year 1993-94.

**AUDIT
OBJECTIVES
AND
CONCLUSIONS**

Audit Objective: To assess the adequacy of the Executive Office's internal control structure.

Conclusion: Our assessment of the Executive Office's internal control structure did not disclose any material weaknesses. However, the Executive Office should improve its internal control over payroll-personnel signature verification (Finding 1).
Audit Objective: To assess the Executive Office's compliance with applicable statutes, the *Michigan Administrative Code*, State procedures, and Executive Office policies and procedures that could have a material effect on the financial schedule.

Conclusion: Our assessment of the Executive Office's compliance with applicable laws and regulations did not disclose any instances of noncompliance that could have a material effect on the financial schedule.

Audit Objective: To audit the Executive Office's financial schedule for the fiscal years ended September 30, 1994 and September 30, 1993.

Conclusion: We expressed an unqualified opinion on the Executive Office's financial schedule.

AUDIT SCOPE

Our audit scope was to examine the financial and other records of the Executive Office for the period October 1, 1990 through September 30, 1994. Our audit was conducted in accordance with generally accepted auditing standards and *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.

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

Our report contains one finding and a corresponding recommendation. The agency preliminary response indicated that the Executive Office had compiled with the recommendation.

All eight prior audit recommendations were included within the scope of our current audit, and none of them are repeated in this report.