

EXECUTIVE DIGEST

LIBRARY OF MICHIGAN

INTRODUCTION

This report contains the results of our financial audit, including the provisions of the Single Audit Act, of the Library of Michigan for the period October 1, 1992 through September 30, 1994.

AUDIT PURPOSE

This financial audit of the Library was conducted as part of the constitutional responsibility of the Office of the Auditor General and is required on a biennial basis by Act 251, P.A. 1986, to satisfy the requirements of the federal Single Audit Act of 1984 and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*.

BACKGROUND

Act 540, P.A. 1982 (Sections 397.11 - 397.24 of the *Michigan Compiled Laws*), created the Library of Michigan under the control of the Legislative Council and established an advisory Board of Trustees. The Library's primary mission is to promote, advocate, and consistently work to achieve the highest level of library service to the State of Michigan and its residents. The Library's goals and objectives are to meet the information needs of the Legislature and State government,

to assist Michigan libraries, and to act as a Statewide resource for the public.

The Internal Operations and Federal Programs Divisions have responsibility for the Library's accounting, financial reporting, and administration of federal grants. As of September 30, 1994, the Library had 103 full-time and 37 part-time employees. The Library's expenditures for fiscal year 1993-94 totaled \$30.7 million.

**AUDIT
OBJECTIVES
AND
CONCLUSIONS**

Audit Objective: To assess the adequacy of the Library's internal control structure, including applicable administrative controls related to the management of federal financial assistance programs.

Conclusion: Our assessment of the Library's internal control structure did not disclose any material weaknesses. However, we noted a reportable condition related to accounts payable (Finding 1).

Audit Objective: To assess the Library's compliance with both State and federal laws and regulations that could have a material effect on either the Library's financial schedules or any of its major federal financial assistance programs.

Conclusion: Our assessment of compliance with applicable laws and regulations did not disclose any instances of noncompliance that could have a material effect on the Library's financial schedules or any of its major federal financial assistance programs. We did not identify any questioned costs for the audit period.

Audit Objective: To audit the Library's General Fund financial schedules for the fiscal years ended September 30, 1994 and September 30, 1993.

Conclusion: We expressed an unqualified opinion on the Library's General Fund financial schedules.

AUDIT SCOPE

Our audit scope was to examine the financial and other records of the Library of Michigan for the period October 1, 1992 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 audit report includes one finding and one corresponding recommendation. The Library's preliminary response indicates concurrence with the finding and that it will comply with the recommendation.

The Library complied with the two recommendations from our prior audit.