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Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

May 1, 2017

Dear Governor Snyder, Senators, and Representatives:

This letter provides information regarding the status of our audit projects that either began or transitioned into new audit phases during April 2017. Please refer to our website's [Work in Process](#) for a complete listing of ongoing projects. Although you will no longer receive individual letters reporting the start of audits or approved audit objectives, we would be pleased to discuss with you any interests or areas of concern you have with any of our ongoing projects.

Planning Phase - These are new projects. Typical activities include conducting: the audit entrance meeting; a preliminary survey to identify the audited entity's core activities; assessments of risks and corresponding controls to identify potential program or process improvements or deficiencies; interviews with management and staff, development of detailed audit objectives, and many other tasks.

Department	Audit Title and Type (Performance - per / Financial - fin / Follow-up - fol / Contracted - con)	Project Number
Health and Human Services	Medicaid Non-Emergency Transportation - (per)	391-0715-17
Talent and Economic Development	MSHDA Rental Assistance and Homeless Solutions - (per)	186-0220-17
Talent and Economic Development	Michigan Business Development Program - (per)	186-0500-17
Technology, Management, and Budget	Information Technology Fund and IT Billings - (fin and per)	071-0137-17
Transportation	Selected Programs of the Design Division - (per)	591-0166-17
Transportation	Funding for Department Services Provided to Local Units of Government - (per)	591-0174-17
Transportation	Transportation Operations Center - (per)	591-0250-17
Transportation	Administration of Act 51 - (per)	591-0410-17
Transportation and Technology, Management, and Budget	Grant Management System - (per)	591-0593-17

Audits Terminated - For these projects, after completing the planning phase, we concluded that significant risk did not exist to warrant additional use of audit resources or that extenuating circumstances supported the termination of the project. We issued a Preliminary Survey Summary to reflect this conclusion, distributed copies to management and select legislative members, and posted the summaries on our website.

Department	Audit Title and Type	Project Number
None		

Audit Fieldwork - Typical activities include: additional management and staff interviews; detailed testing of financial transactions, case files, information systems, and other documentation which support the entity's operations; status updates with management and staff; and other tasks.

Department	Audit Title and Type	Project Number
Corrections	Prisoner Food Services - (per)	471-0621-17

Approved Objectives:

1. To assess the effectiveness of DOC's monitoring of prisoner food services.
2. To assess the effectiveness of DOC's efforts to assess and collect service credits for contract violations.
3. To assess the sufficiency of DOC's efforts to provide meals that meet federal dietary recommendations.

Department	Audit Title and Type	Project Number
Education	Michigan Virtual University - (per)	313-0223-17

Approved Objective:

1. To assess Michigan Virtual University's compliance with selected State laws.

Department	Audit Title and Type	Project Number
Environmental Quality and Technology, Management, and Budget	MiWaters System - (per)	761-0592-17

Approved Objectives:

1. To assess the effectiveness of DEQ and DTMB's security, access, and contingency planning controls over MiWaters.
2. To assess the sufficiency of the design and implementation of the partnership agreement between DEQ and DTMB in establishing roles and responsibilities for each agency.
3. To assess the effectiveness of DEQ and DTMB's efforts to ensure vendor compliance with the MiWaters contract.
4. To assess the effectiveness of DEQ and DTMB's efforts to ensure the integrity of MiWaters data.

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Independent Accountant's Review Report, Revenue Subject to Constitutional Limitation (FY 2015-2016) - (fin)	071-0030-17

Approved Objective:

1. To obtain limited assurance that there are no material modifications that should be made to the Statement of Revenue Subject to Constitutional Limitation – Legal Basis for it to be in compliance with the applicable sections of the *Michigan Compiled Laws* and Michigan Constitution.

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Independent Accountant's Review Report, Proportion of Total State Spending from State Sources (FY 2015-2016) - (fin)	071-0031-17

Approved Objective:

1. To obtain limited assurance that there are no material modifications that should be made to the Statement of the Proportion of Total State Spending From State Sources Paid to Local Units of Government – Legal Basis for it to be in compliance with the applicable sections of the *Michigan Compiled Laws* and Michigan Constitution.

Department	Audit Title and Type	Project Number
Treasury and State Police	Emergency 9-1-1 Fund - (fin)	271-0265-17

Approved Objectives:

1. To express an opinion on whether the entity's financial schedules are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. To issue a report on internal control over financial reporting and on compliance and other matters in accordance with generally accepted government auditing standards.

Please note that some projects, particularly financial audits and follow-up reports, operate from pre-established audit objectives and, therefore, move directly to the audit fieldwork stage.

Report Preparation - Typical activities include: preparing the draft audit report, discussion of draft findings with the audited entity, receipt of the entity's preliminary responses to findings, and other tasks.

Department	Audit Title and Type	Project Number	Estimated Audit Release Date
Corrections	Women's Huron Valley Correctional Facility - (per)	471-0241-17	June 2017
Health and Human Services	Interstate Compact Programs - (per)	431-0273-15	June 2017
Health and Human Services	Michigan Statewide Automated Child Welfare Information System (MiSACWIS) - (per)	431-0520-16	June 2017
State Budget Office	State Public Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data - (per)	331-0300-17	June 2017
Technology, Management, and Budget	Office of Infrastructure Protection - (per)	071-0127-16	June 2017
Technology, Management, and Budget	Statewide Windows Active Directory Environments - (per)	071-0564-16	June 2017
Transportation	Office of Business Development - (fol)	591-0350-15F	June 2017

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Agriculture and Rural Development	Farm Produce Insurance Authority - Financial Report for the Fiscal Year Ended December 31, 2016 - (con)	NA	4/3/2017	NA	NA
Health and Human Services	Capitated Rate Setting, Contracting, and Beneficiary Enrollment Processes of the Comprehensive Health Care Program - (per)	391-0701-16	4/12/2017	0	1
Transportation	Office of Aeronautics - (per)	591-0190-16	4/20/2017	0	0

Although we report this information to you on a monthly basis, we immediately correspond with management and staff as our projects transition through the various stages referenced above.

Please contact me or Laura Hirst, Deputy Auditor General, at (517) 334-8050 if you have questions regarding this summary or wish to discuss specific audit projects.

Sincerely,

A handwritten signature in blue ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler
Auditor General

c: Agency Audit Liaisons
SBO-Office of Internal Audit Services