



OAG

Office of the Auditor General

201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • www.audgen.michigan.gov

Doug A. Ringler, CPA, CIA
Auditor General

March 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 February 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
Corrections	Automated Information Systems - (per)	471-0593-17
Military and Veterans Affairs	Michigan Veterans Affairs Agency - (per)	511-0105-17
Military and Veterans Affairs	Grand Rapids Home for Veterans - (fol)	511-0170-17F
Technology, Management, and Budget	Legacy Systems - (per)	071-0550-17
Transportation	Highway Construction Procurement - (per)	591-0400-17

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	Women's Huron Valley Correctional Facility - (per)	471-0241-17
Approved Objective:		
1. To assess Department of Corrections' (DOC's) compliance with selected policies and procedures related to safety and security at WHV.		

Department	Audit Title and Type	Project Number
Environmental Quality	Asbestos Program, Air Quality Division - (per)	761-0142-16
Approved Objectives:		
1. To assess the effectiveness of DEQ's monitoring for compliance with NESHAP regulations for demolition and renovation projects.		
2. To assess the effectiveness of DEQ's efforts to ensure the proper disposal of asbestos containing materials at landfills.		
3. To assess the efficiency of DEQ's process to inspect demolition and renovation projects.		

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Design and Construction Division - (per)	071-0125-16
Approved Objective:		
1. To assess the effectiveness of DCD's monitoring of State agency construction projects.		

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Michigan Public School Employees' Retirement System - Schedule of Employer Allocations and Schedule of Collective Pension Amounts - (fin)	071-0164-17
Approved Objective:		
1. To express opinions on the schedules of employer allocations and the specified column totals included in the schedule of collective pension amounts.		

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Michigan State Employees' Retirement System - Schedule of Employer Allocations and Schedule of Collective Pension Amounts - (fin)	071-0165-17
Approved Objective:		
1. To express opinions on the schedules of employer allocations and the specified column totals included in the schedule of collective pension amounts.		

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
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - Michigan State Employees' Retirement System (Fiscal Year Ended September 30, 2016) - (fin)	071-0151-17	March 2017
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - Michigan Public School Employees' Retirement System (Fiscal Year Ended September 30, 2016) - (fin)	071-0152-17	March 2017
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - Michigan Military Retirement System (Fiscal Year Ended September 30, 2016) - (fin)	071-0158-17	March 2017
State	Bureau of Branch Office Services - (per)	231-0333-16	April 2017
Talent and Economic Development	Michigan Economic Growth Authority Tax Credit Program, Michigan Strategic Fund - (per)	186-0415-16	April 2017
Treasury and Technology, Management, and Budget	Motor Fuel Tax System - (per)	271-0525-16	April 2017

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Licensing and Regulatory Affairs	Bureau of Services for Blind Persons - (per)	641-0230-16	2/10/2017	2	1
Technology, Management, and Budget	IT Project Management Processes - (per)	071-0585-16	2/24/2017	4	3
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - Michigan Judges' Retirement System (Fiscal Year Ended September 30, 2016) - (fin)	071-0153-17	2/27/2017	NA	NA
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - Michigan State Police Retirement System (Fiscal Year Ended September 30, 2016) - (fin)	071-0154-17	2/27/2017	NA	NA

Audits Released Con't

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters for the State of Michigan 401k Plan (Fiscal Year Ended September 30, 2016) - (fin)	071-0156-17	2/27/2017	NA	NA
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters for the State of Michigan 457 Plan (Fiscal Year Ended September 30, 2016) - (fin)	071-0157-17	2/27/2017	NA	NA
Legislature	Report on Internal Control, Compliance, and Other Matters - Michigan Legislative Retirement System (Fiscal Year Ended September 30, 2016) - (fin)	900-0140-17	2/27/2017	NA	NA

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,



Doug Ringler
Auditor General

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