



# OAG

Office of the Auditor General

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**Doug A. Ringler, CPA, CIA**  
Auditor General

February 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 January 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	Project Number
	(Performance - per / Financial - fin / Follow-up - fol / Contracted - con / Single - sa)	
Corrections	Prisoner Food Services - (per)	471-0621-17
Environmental Quality and Technology, Management, and Budget	MiWaters - (per)	761-0592-17
Universities	State Public Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data, State Budget Office - (per)	331-0300-17

**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
Education	Virtual Learning in Traditional Public Schools - (per)	313-0224-16

**Approved Objectives:**

1. To determine the effectiveness of MDE's efforts to ensure that traditional public schools provided students with the online course or learning experience required to award a high school diploma.
2. To assess the sufficiency of MDE's efforts to ensure that traditional public schools provided students with the required access and support for online courses.
3. To determine the sufficiency of MDE's efforts to monitor and evaluate the virtual learning provided by traditional public schools.

Department	Audit Title and Type	Project Number
Licensing and Regulatory Affairs	Self Insurers' Security Fund - (fin)	641-0101-17

**Approved Objectives:**

1. To express an opinion on whether the entity's financial statements 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
Education	Great Start Readiness Program - (per)	313-0260-15	March 2017
Environmental Quality	Clean Michigan Initiative Environmental Protection Programs - (per)	761-0217-16	March 2017
Health and Human Services	Capitated Rate Setting, Contracting, and Beneficiary Enrollment Processes of the Comprehensive Health Care Program - Medicaid Health Plans - (per)	391-0701-16	March 2017
Transportation	Office of Aeronautics - (per)	591-0190-16	March 2017

## Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Agriculture and Rural Development	Bovine Tuberculosis Program - (per)	791-0110-16	1/10/2017	0	3
Transportation	Office of Economic Development - (fol)	591-0135-13F	1/10/2017	0	1
Licensing and Regulatory Affairs	Collection of Delinquent Unemployment Taxes and Reimbursements - UIA - (fol)	641-0316-11F	1/11/2017	0	4
Agriculture and Rural Development and Environmental Quality	Bottled Water Regulation - (per)	791-0225-16	1/18/2017	0	3
Treasury	Michigan Finance Authority - Financial Report for the Fiscal Year Ended September 30, 2016 - (con)	NA	1/13/2017	NA	NA
State Budget Office	Flint Emergency Expenditures - (per)	000-2016-17	1/31/2017	0	1

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