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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

July 1, 2016

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 June 2016. 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
Agriculture and Rural Development	Animal Industry Division - Bovine Surveillance Program - (per)	791-0110-16
Environmental Quality	Clean Michigan Initiative Environmental Protection Programs - (per)	761-0217-16
Health and Human Services	Michigan Statewide Automated Child Welfare Information System (MiSACWIS) - (per)	431-0520-16
Health and Human Services	Partnership, Accountability, Training, Hope (PATH) Program - (per)	431-3301-16
Military and Veterans Affairs	Emergency Grant Program, Michigan Veterans' Trust Fund - (per)	511-0410-16
State	Bureau of Branch Office Services - (per)	231-0333-16
Transportation	Field Services System Operations Section - (per)	591-0167-16
Treasury	Venture Michigan Fund - (per)	271-0435-16

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
State Police	Special Operations Division - (per)	551-0142-16

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	Office of Career and Technical Education - (per)	313-0185-16
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the appropriateness of OCTE's process for awarding and distributing career and technical education program grants. 2. To assess the effectiveness of OCTE's efforts in monitoring career and technical education program activities and expenditures. 3. To assess the effectiveness of OCTE's efforts to evaluate the performance of career and technical education programs. 		

Department	Audit Title and Type	Project Number
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
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the sufficiency of MDHHS's contracting process for Medicaid Health Plans. 2. To assess the effectiveness of MDHHS's capitated rate setting process. 3. To assess the effectiveness of MDHHS's enrollment process for Medicaid Health Plan beneficiaries. 		

Department	Audit Title and Type	Project Number
Health and Human Services	Michigan State Disbursement Unit, Office of Child Support - (per)	431-0142-16
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of OCS's efforts to ensure the accurate and timely disbursement of child support collections. 2. To assess the effectiveness of OCS's efforts in monitoring the accuracy and completeness of the bank accounts used to account for child support activities. 		

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Office of Infrastructure Protection - (per)	071-0127-16
Approved Objectives:		
1. To assess the effectiveness of OIP's security and emergency management controls at DTMB-managed facilities.		
2. To assess OIP's controls in managing State-owned parking capacity and ensuring the reasonableness and accuracy of parking revenues.		

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Records Management - (per)	071-0835-16
Approved Objectives:		
1. To assess the effectiveness of RMS's security and access controls over document management systems.		
2. To assess the effectiveness of RMS's efforts to safeguard confidential information.		
3. To assess RMS compliance with retention and disposal schedules.		
4. To assess the effectiveness of RMS's monitoring of records management contracts.		

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	Independent Accountant's Review Report, Proportion of Total State Spending from State Sources (FY 2014-2015) - (fin)	071-0031-16	June 2016
Natural Resources	Central Reservation System for Recreational Resources - (per)	751-0591-16	July 2016
Treasury	Corporate Income Tax - (per)	271-0240-15	July 2016
Environmental Quality	Septic Waste, Campgrounds, Public Swimming Pools, and On-Site Waste Water Programs, Office of Drinking Water and Municipal Assistance - (per)	761-0321-16	August 2016
Military and Veterans Affairs	D. J. Jacobetti Home for Veterans - (per)	511-0160-16	August 2016
State Police	Michigan Justice Training Fund, Michigan Commission on Law Enforcement Standards - (fin)	551-0101-16	August 2016
Transportation	Monitoring of Warranties and Road and Bridge Construction Projects - (fol)	591-0210-14F	August 2016

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Transportation	Office of Business Development - (per)	591-0350-15	6/2/2016	1	4
Health and Human Services	Child Care Fund - (per)	431-1400-13	6/9/2016	3	3
Colleges and Universities	State Public Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data, State Budget Office - (per)	331-0300-16	6/10/2016	0	0
Technology, Management, and Budget	Independent Accountant's Review Report, Revenue Subject to Constitutional Limitation (FY 2014-2015) - (fin)	071-0030-16	6/13/2016	0	0
Technology, Management, and Budget	Independent Accountant's Review Report, Proportion of Total State Spending from State Sources (FY 2014-2015) - (fin)	071-0031-16	6/13/2016	0	0
Statewide	Statewide Single Audit (FY 2014-15) - (sa)	000-0100-16	6/24/2016	16	55
Talent and Economic Development	Unemployment Insurance Agency - Administration Fund - Single Audit Report for the Fiscal Year Ended September 30, 2015 - (con)	NA	6/24/2016	NA	NA
Talent and Economic Development	Unemployment Insurance Agency - Unemployment Compensation Fund - Single Audit Report for the Fiscal Year Ended September 30, 2015 - (con)	NA	6/24/2016	NA	NA
Talent and Economic Development	Michigan State Housing Development Authority - Single Audit Report for the Fiscal Year Ended June 30, 2015 - (con)	NA	6/24/2016	NA	NA
Treasury	Bureau of State Lottery - Financial Report for the Six-Month Period Ended March 31, 2016 - (con)	NA	6/27/2016	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