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Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

December 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 November 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.

<u>Department</u>	<u>Audit Title and Type</u> (Performance - per / Financial - fin / Follow-up - fol / Contracted - con)	<u>Project Number</u>
None		

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
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
Health and Human Services	Child Placing Agencies - (per)	431-2780-16
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess MDHHS's effectiveness in licensing child placing agencies. 2. To determine the effectiveness of MDHHS's efforts to monitor child placing agency service delivery. 3. To assess the sufficiency of MDHHS's efforts to report child welfare information applicable to child placing agency activities in accordance with selected State and federal requirements. 		

Department	Audit Title and Type	Project Number
State	Bureau of Branch Office Services - (per)	231-0333-16
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of the Bureau's efforts to provide efficient and convenient customer service at its branch offices. 2. To assess the effectiveness of the Bureau's efforts to provide employee and customer safety. 3. To assess the effectiveness of the Bureau's establishment of controls to properly safeguard assets. 		

Department	Audit Title and Type	Project Number
Transportation	Measurement of State Highway Pavement Conditions - (per)	591-0300-16
Approved Objective:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of MDOT's efforts in measuring State highway pavement conditions. 		

Department	Audit Title and Type	Project Number
Treasury	Bureau of Local Government Services - (per)	271-0290-16
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the Local Government Financial Services Division's effectiveness related to reviewing and conducting audits of local units of government. 2. To assess the Local Government Financial Services Division's effectiveness related to reviewing and approving issuance of debt and reviewing deficit elimination plans. 3. To assess Property Services Division's effectiveness to ensure taxes and credits for property of select public utilities are properly assessed, applied, and paid to the General Fund. 4. To assess Property Services Division's effectiveness to ensure local governments accurately and promptly pay select required taxes to the School Aid Fund. 		

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
Agriculture and Rural Development and Environmental Quality	Bottled Water Regulation - (per)	791-0225-16	January 2017
Education	Early On - (fol)	313-2000-12F	January 2017
Environmental Quality	Bovine Tuberculosis Program - (per)	791-0110-16	January 2017
Licensing and Regulatory Affairs	Collection of Delinquent Unemployment Taxes and Reimbursements - Unemployment Insurance Agency - (fol)	641-0316-11F	January 2017
Technology, Management, and Budget	Information Technology Project Management - (per)	071-0585-16	January 2017
Transportation	Office of Economic Development - (fol)	591-0135-13F	January 2017

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Corrections	Parole Eligibility Consideration Process - (per)	471-0121-16	11/3/2016	0	0
Licensing and Regulatory Affairs	Michigan Medical Marihuana Program - (per)	641-0435-16	11/3/2016	1	2
Environmental Quality	Great Lakes Water Quality Bond Fund Expenditures - (per)	761-0400-16	11/10/2016	0	0
Technology, Management, and Budget	Records Management - (per)	071-0835-16	11/10/2016	0	5

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