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Office of the Auditor General

Report Summary

*Report on Internal Control, Compliance, and
Other Matters
State of Michigan Comprehensive Annual
Financial Report (SOMCAFR)
State Budget Office
Fiscal Year Ended September 30, 2015*

**Report Number:
071-0010-16**

**Released:
March 2016**

Generally accepted government auditing standards require an auditor to report on internal control over financial reporting; compliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the financial statements; and other matters coming to the attention of the auditor during the completion of a financial audit. We are issuing this report in conjunction with our independent auditor's report on the *SOMCAFR* dated December 31, 2015.

Findings Related to Internal Control, Compliance, and Other Matters	Material Condition	Reportable Condition	Agency Preliminary Response
The Department of Treasury and the Office of Financial Management (OFM), within the State Budget Office, should enhance internal control to prevent, or detect and correct, misstatements and ensure the reasonableness and accuracy of the tax accruals (<u>Finding #1</u>).	X		Agree
OFM, in conjunction with State departments, should continue to improve internal control to ensure the validity and reasonableness of estimated receivable and payable amounts reported within the <i>SOMCAFR</i> (<u>Finding #2</u>).		X	Agree
The Michigan Department of Health and Human Services, in conjunction with OFM, should strengthen internal control to improve the accuracy of the AIDS Drug Assistance Program receivable (<u>Finding #3</u>).		X	Agree
The Michigan Department of Transportation, in conjunction with OFM, should improve internal control to ensure that activity reported within the <i>SOMCAFR</i> is properly accounted for in accordance with generally accepted accounting principles (<u>Finding 4</u>).		X	Agree

A copy of the full report can be
obtained by calling 517.334.8050
or by visiting our Web site at:
www.audgen.michigan.gov

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