



# OAG

Office of the Auditor General

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

November 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 October 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) / Single - sa	Project Number
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. When appropriate, 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
Agriculture and Rural Development	Pesticide Program, Pesticide and Plant Pest Management Division - (per)	791-0215-17

**Approved Objectives:**

1. To assess the effectiveness of PPPM's efforts to license pesticide applicator businesses and certify pesticide applicators.
2. To assess the effectiveness of PPPM's efforts to register pesticide products.
3. To assess the sufficiency of PPPM's monitoring of manufacturers, distributors, retailers, and pesticide applicators for compliance with pesticide laws and regulations.

Department	Audit Title and Type	Project Number
State Budget Office	Flint Water Line Replacement Expenditures - (per)	000-3017-17

**Approved Objectives:**

1. To determine the appropriateness of DEQ's administrative process to issue payments or reimbursements for the Flint water line replacements.
2. To report DEQ's expenditures of Flint water line replacement appropriations.

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	State Surplus - (fol)	071-0139-14F

**Approved Objective:**

1. To determine whether DTMB had taken appropriate corrective measures in response to the two material conditions noted in our December 2014 audit report.

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Office of Children's Ombudsman - (per)	071-0176-17

**Approved Objectives:**

1. To assess the effectiveness of OCO's efforts to properly address complaints and other communications.
2. To assess the sufficiency of OCO's efforts to conduct investigations of child welfare complaints and deaths.
3. To assess whether OCO sufficiently reported selected information to designated parties.

Department	Audit Title and Type	Project Number
Technology, Management, and Budget	Procurement Card Program - (fol)	071-0705-15F

**Approved Objective:**

1. To determine whether DTMB had taken appropriate corrective measures in response to the one material condition noted in our September 2015 audit report.

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Estimated Audit Release Date</u>
Health and Human Services	Statewide Child Support Program - Establishment of Child Support Orders - (per)	431-0701-15	December 2017
Licensing and Regulatory Affairs	Health Facility Licensing, Permits, and Support Division - (fol)	641-0450-14F	December 2017
Military and Veterans Affairs	Michigan Veterans Affairs Agency - (per)	511-0105-17	December 2017
Transportation	Real Estate Services, Development Services Division - (per)	591-0172-17	December 2017
Transportation	Funding for Department Services Provided to Local Units of Government - (fol)	591-0174-12F	December 2017
Transportation and Technology, Management, and Budget	MDOT Grant System - (per)	591-0593-17	December 2017
	Venture Michigan Fund - (per)	000-0435-16	December 2017

#### Audits Released

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Date Released</u>	<u>Number of</u>	
				<u>Material Weaknesses</u>	<u>Reportable Conditions</u>
	OAG - Annual Report FY 2017	NA	10/23/2017	NA	NA
Corrections	Prisoner Food Services - (per)	471-0621-17	10/25/2017	0	1
Talent and Economic Development	Michigan State Housing Development Authority - Financial Report for the Fiscal Year Ended June 30, 2017 - (con)	NA	10/25/2017	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