



Annual Report Fiscal Year 2015



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

The auditor general
shall conduct post audits
of financial transactions and
accounts of the state and of all
branches, departments,
offices, boards, commissions,
agencies, authorities and
institutions of the state established
by this constitution or by
law, and performance
post audits thereof.

- *Article IV, Section 53 of the
Michigan Constitution*



OAG

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

Ladies and Gentlemen:

I am pleased to provide our fiscal year 2015 annual report. It details aspects of our office operations and the audit reports we issued during the past fiscal year. Article IV, Section 53 of the Michigan Constitution establishes the Office of the Auditor General's authority and requires this annual report.

During fiscal year 2015, we issued independent auditor's opinions on 19 sets of financial statements and schedules. Through the coordinated efforts of the State Budget Office's preparation of the *State of Michigan Comprehensive Annual Financial Report* and our audit of that report, Michigan set the national benchmark for timely reporting. Michigan's report was completed in less than half the time of the national average and a month more promptly than the report of the next closest state. Another significant project is the Statewide Single Audit, which we performed to assess State agency compliance with regulations tied to \$21 billion in federal funds. These two projects represent the largest use of our human resources.

We also completed 38 value-driven performance audits, including the Oversight of Health Professions, Office of Special Education, Bridge Inspection Program, Michigan Youth Challenge Academy, Data Security Using Mobile Devices, Environmental Stewardship Division, and Office of Collections, among many others.

We appreciate your positive comments regarding our report summaries, six-month audit plans, monthly audit summaries, and other efforts we implemented during 2015 to improve communications between this office and the Legislature.

Our key 2016 priorities include:

1. Address external peer review comments
Every three years, our office is subject to an evaluation by audit professionals from other states and/or the federal government to ensure that we operate in accordance with applicable standards. The October 30, 2015 peer review report gave our office the highest rating possible and our 10th consecutive clean opinion. We will devote resources to address some minor issues the team shared with us.
2. Further expedite report processing
We have taken actions resulting in shorter time frames between fieldwork completion and audit report issuance, and we intend to continue this improvement. During 2016, we will further assess whether organizational, process, and/or technology enhancements would aid in this endeavor.

I am privileged to work with such a great team of audit professionals and support staff. We will continue to strive to meet your and the public's oversight needs in an independent, objective, and transparent manner. We welcome the opportunity to provide information to assist in your decision making. Please do not hesitate to contact us to request our services.

Sincerely,

Doug Ringler
Auditor General
November 6, 2015



OAG

Office of the Auditor General

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Office of the Auditor General

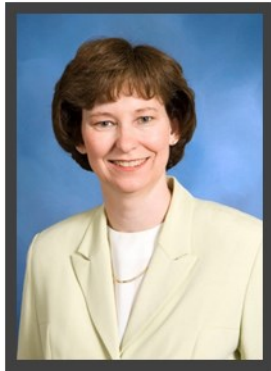
Directory



Doug A. Ringler, CPA, CIA
Auditor General



Laura J. Hirst, CPA
Deputy Auditor General



Kimberly E. Jacobs, CPA, CISA, CNE
Chief Information Officer



Craig M. Murray, CPA, CIA
Director of Professional Practice



Kelly C. Miller, MPA
State Relations Officer



Paul J. Green, CPA, CIA, CISA
Director of Administration



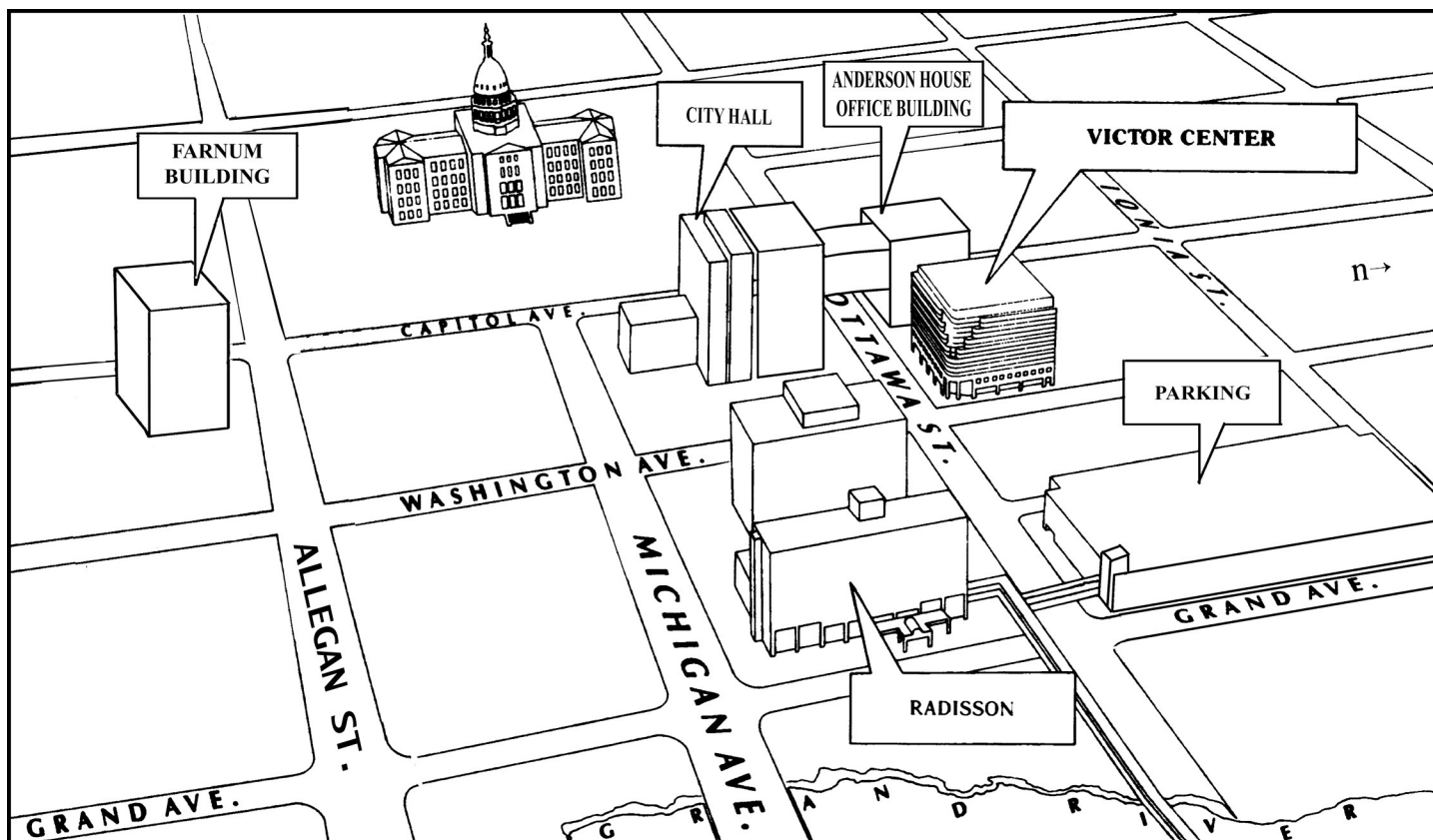
OAG

Office of the Auditor General

Office Location

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OAG

Office of the Auditor General

Office Overview

Mission

The mission of the Office of the Auditor General (OAG) is to improve the accountability for public funds and to improve State government operations for the benefit of Michigan's citizens. The OAG best accomplishes its mission by committing to total quality; by adhering to the professional standards of the auditing profession; and by promoting an atmosphere of mutual trust, honesty, and integrity among OAG staff and the people they serve.

Responsibility

The Michigan Constitution established the OAG within the legislative branch of State government and set forth its responsibility to conduct post financial and performance audits of State government operations (Article IV, Section 53). Audit activities are performed in accordance with generally accepted auditing standards of the American Institute of Certified Public Accountants and *Government Auditing Standards* issued by the Comptroller General of the United States.

Organization

Doug A. Ringler, the Auditor General, is the principal executive and has ultimate responsibility for OAG policies, practices, and reports. The Auditor General is appointed by the Legislature for an eight-year term.

The Auditor General appointed Laura J. Hirst as Deputy Auditor General. Ms. Hirst is the Auditor General's principal aide in carrying out the OAG's responsibilities and in leading the Bureau of Audit Operations.

The OAG has four primary operational areas:

- The **Bureau of Audit Operations** is responsible for conducting independent post financial and performance audits of the State of Michigan's executive, legislative, and judicial branches of government, including its universities and community colleges. The Bureau also considers legislative requests. In addition, the Bureau participates in joint National State Auditors Association audits with other states' audit agencies.

The Bureau is organized into five audit divisions based on type of audits performed and activities audited:

- The *State of Michigan Comprehensive Annual Financial Report (SOMCAFR)* financial audit, other mandated financial audits, and Government Operations audits.
- The Statewide Single Audit and assistance with financial audits and Government Operations audits.
- Environmental and Information Technology performance audits.
- Health, Safety, and Regulatory performance audits.
- Service, Assistance, and Education performance audits.

- The **Office of Professional Practice** is responsible for performing quality assurance reviews of audit reports and working papers, editing audit reports, and conducting accounting and auditing research.
- The **Office of Information Technology** is responsible for all OAG networks and information systems. The Office provides specialized data extraction and analysis, computer hardware and software support, and training to all OAG staff.
- The **Office of Administration** is responsible for human resource management; accounting and budgeting; audit report production; and officewide printing, purchasing, and clerical support.

Employees

The OAG had 151 employees as of September 30, 2015. The OAG's commitment to professionalism and leadership in State governmental auditing is evidenced by the professional certifications achieved by its staff. Including the Auditor General, the office has:

- 58 certified public accountants
- 12 certified information systems auditors
- 3 certified internal auditors
- 1 certified fraud examiner
- 2 certified government financial managers
- 24 employees with master's degrees

Many employees also actively participate as officers, board members, and committee members of national, State, and local accounting and auditing organizations.

Quality Control

Professional Standards

The OAG performs audits in accordance with the following professional standards:

- Generally accepted auditing standards of the American Institute of Certified Public Accountants.
- *Government Auditing Standards* issued by the Comptroller General of the United States.
- The federal Single Audit Act Amendments of 1996 and implementing regulations.

External Quality Control Review

Government Auditing Standards requires a triennial peer review of OAG operations. The peer review is performed by a six-person National State Auditors Association external quality control review team. In the most recent review performed in October 2015, the peer review team provided the OAG with its tenth consecutive unmodified ("clean") opinion on its system of quality control. This is the highest level of opinion. The peer review report appears on page 20.

Independence

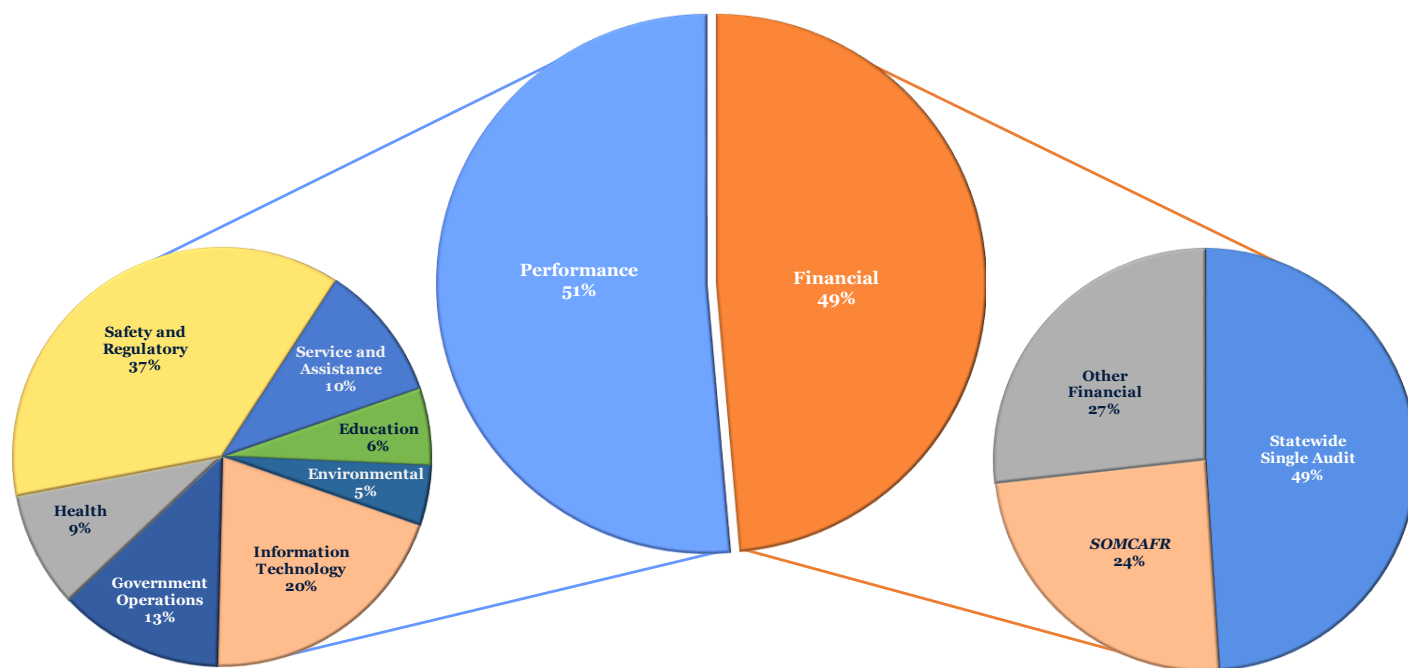
Auditing standards require auditor independence in fact and in appearance. The standards also define impairments to independence. The most recent external peer review of OAG operations noted no impairments affecting the OAG's independence in providing auditing and other attestation services.



Types of Audits and Other Projects

The following chart shows the distribution of direct audit and other project hours by type:

Distribution of Direct Hours



Financial Audits

Financial audits are designed to provide reasonable assurance about whether the financial statements and/or financial schedules of an audited entity are presented fairly, in all material respects, in conformity with generally accepted accounting principles.

- *State of Michigan Comprehensive Annual Financial Report (SOMCAFR) Audit*
The OAG annually audits the *SOMCAFR* and the Auditor General issues an independent auditor's opinion on the financial statements and includes this document within the published *SOMCAFR*.

The *SOMCAFR* is an annual report prepared by the Office of Financial Management, within the State Budget Office.

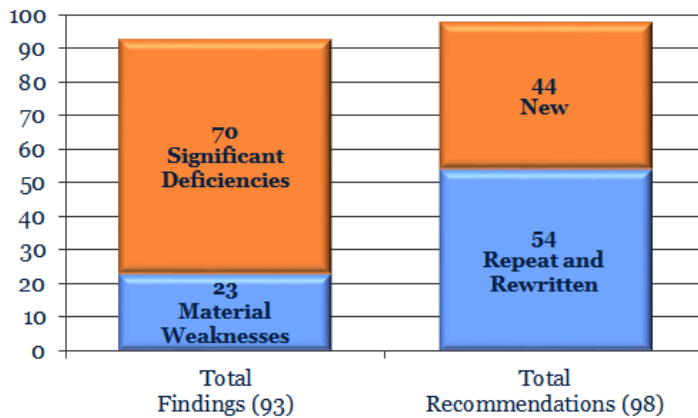
The *SOMCAFR* includes the State's government-wide financial statements, fund financial statements for the State's major funds, combining and individual fund financial statements for nonmajor funds, and statistical data. The State's reporting entity includes the "primary government" and its component units. The primary government includes all funds, departments and agencies, bureaus, boards, commissions, and those authorities that are considered an integral part of the primary government.

- Statewide Single Audit

The OAG annually audits those State programs that reach major federal program status. The State's single audit report, including the Auditor General's report on compliance, is required to be submitted to the federal government by June 30 each year for the previous fiscal year ended September 30.

This annual audit is required by the federal Single Audit Act and by State statute. The federal Single Audit Act required state and local governments receiving \$500,000 or more of federal financial assistance in any fiscal year to have a comprehensive financial audit, including an assessment of the entity's compliance with federal program requirements.

**Fiscal Year 2014
Statewide Single Audit Results**



- Other Financial Audits

For fiscal year 2015, we conducted 17 other required financial audits and contracted for the completion of 15 financial audits. State statute requires annual financial audits of certain entities.

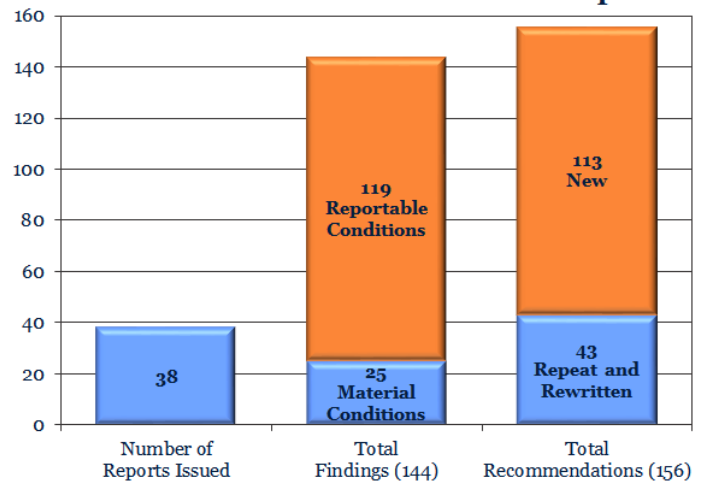
Performance Audits

Performance audits provide findings and/or conclusions based on an evaluation of sufficient, appropriate evidence against criteria applicable to the audited entity. Performance audits also provide objective and independent analyses to program management and those charged with governance and oversight to facilitate decision making and improve public accountability. We conduct performance audits based on the potential for improving the effectiveness and efficiency of State government operations.

Audit Finding Follow-Ups

The OAG may follow up material conditions contained in a previously issued performance audit report. Material conditions are considered more severe than reportable conditions. We perform these engagements to assess the entities' compliance with prior audit recommendations. We may issue recommendations if corrective action was not effective at fostering improvements.

Performance Audits and Follow-Ups



Preliminary Survey Summaries

A preliminary survey summary is a publicly released document in a report-like format that addresses only the results of a preliminary survey. A preliminary survey, performed at the beginning of a performance audit, is designed to obtain an understanding of the core activities within an entity or a program. These procedures are limited and are not considered a completed performance audit.

If the results of a preliminary survey do not identify significant potential program improvements and/or risks of deficiencies that could impair management's ability to operate a program effectively or efficiently, we terminate the performance audit and move our resources to a more value-driven project. For fiscal year 2015, we issued 8 preliminary survey summaries.

Attestation Engagements

Attestation engagements involve examining, reviewing, or performing agreed-upon procedures on a subject matter or an assertion about a subject matter and reporting on the results. An attestation engagement can cover a broad range of financial or nonfinancial matters or subjects.

Report Distribution, Response, and Value

Report Distribution

We provide electronic access to all of our released reports. They are most often addressed to the chief executive officer of the audited entity and/or to the chair of its governing board or commission. On the day prior to a report's official release, we notify the audited entity, the Executive Office, and all legislators.

On the official release date, our office posts the report publicly to the OAG Web site and e-mails a report link to all legislators, the House and Senate Fiscal Agencies, other State offices, and all others who have requested a copy of the report, including any media. Our office does not issue news releases, but we do respond to media or public inquiries regarding released reports.

Auditee Response

Audited agencies are required to develop a plan to comply with OAG audit recommendations and to submit the plan to the Office of Internal Audit Services, State Budget Office, within 60 days after release of the OAG audit report. This requirement is found in Section 18.1462 of the *Michigan Compiled Laws* and in the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100).

The Office of Internal Audit Services either accepts the plan as final or contacts the agency to take additional steps to finalize it. The OAG Web site includes the agency's plan to comply following each OAG audit report.

Audit Value

OAG reports provide objective, unbiased, and independently developed information that legislative members can use in making informed decisions regarding program scope, structure, and funding. Investors and creditors can rely on OAG financial reports to assess the State's financial condition. In addition, our work offers citizens information about the oversight and accountability of taxes, fees, and other revenues paid to the State and whether those dollars are spent in accordance with statutes and guidelines.



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Office of the Auditor General

Communications

Communication Types

Reports

OAG audit reports are the formal, written, and primary means of communicating audit results. In addition to the reports, the OAG provides the following communications to foster positive and productive working relationships with the Legislature, audited agencies, citizens, and other stakeholders.

Monthly Summaries

The Auditor General e-mails a monthly summary to all legislators and the Governor. The summary identifies projects that the OAG initiated during the prior month; any audits terminated; audit objectives established for ongoing projects; projects nearing completion, including estimated release dates; and audits released.

Legislative Hearings and Meetings

The OAG welcomes the opportunity to brief committees and meet personally with legislators to provide audit report testimony, discuss specific issues identified within audit reports, respond to requests for our audit services, or provide information related to government operations to assist in their decision making.

State Relations Officer

The OAG State Relations Officer's primary responsibility is to build effective relationships and to facilitate communications with the Legislature, legislative fiscal agencies, the Executive Office, audited agencies, and the media. These communications include

addressing questions about OAG operations and reports, facilitating requests for audit work, and coordinating report presentations to the Legislature upon request.

On-Line Information

Our Web site at www.audgen.michigan.gov/ provides extensive information regarding our office, including:

- Mission Statement
- OAG Management
- Organizational Chart
- Professional Standards
- Types of Audits Performed
- Recently Released Projects
- Completed Projects by Fiscal Year
- Work in Process
- Monthly Reports to the Governor and the Legislature
- OAG Annual Reports
- Office Location and Contact Information



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Office of the Auditor General

Fiscal Year 2015 Report Listing

Completed Audit and Letter Reports

Agriculture and Rural Development

Performance Audit:

- Environmental Stewardship Division, 791-0122-14

Contracted Audit:

- Farm Produce Insurance Authority - Financial Report for the Fiscal Year Ended December 31, 2014

Community Health

Performance Audits:

- Community Health Automated Medicaid Processing System (CHAMPS) Claims Edits, 391-0525-14
- Hawthorn Center, 391-0215-14

Preliminary Survey Summary:

- Medicaid Customer Service Division, 391-0731-14

Corrections

Performance Audits:

- General Controls of the Offender Management Network Information System, 471-0592-07F
- Marquette Branch Prison, 471-0205-14
- Prisoner Accounts, Prisoner Store Programs, and Prisoner Benefit Funds, 471-0380-14
- Prisoner Medical, Dental, and Optical Services, 471-0300-14

Preliminary Survey Summaries:

- Regionalization of Maintenance Operations, 471-0345-15
- Thumb Correctional Facility, 471-0275-15

Education

Performance Audits:

- Office of Field Services, 313-0300-14
- Office of Special Education, 313-0180-14

Preliminary Survey Summary:

- Section 31a Program for At-Risk Pupils, 313-0160-15

Health and Human Services

Performance Audits:

- Adult Foster Care and Homes for the Aged Licensing Division, 431-5115-14
- Certificate of Need Program, 391-0644-14
- Families First of Michigan Program, 431-2784-13F
- Protective Services Centralized Intake Unit, 431-1287-14
- Selected Community Health-Related Contracts and Grants, 391-0135-14

Human Services

Performance Audit:

- Child Abuse and Neglect Prevention Board (Children's Trust Fund), 431-0178-14

Legislature

Financial Audit:

- Michigan Legislative Retirement System Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014, 900-0140-15

Licensing and Regulatory Affairs

Financial Audits:

- Michigan Liquor Control Commission Annual Financial Report 2014 (For Fiscal Year October 1, 2013 - September 30, 2014), 641-0161-15
- Michigan Self-Insurers' Security Fund - Annual Report 2014, 641-0101-15

Performance Audits:

- Oversight of Health Professions, 641-0430-14
- Regulation of Nursing Homes, 641-0451-15

Contracted Audits:

- Unemployment Insurance Agency - Administration Fund - Financial Report for the Fiscal Year Ended September 30, 2014
- Unemployment Insurance Agency - Administration Fund - Single Audit Report for the Fiscal Year Ended September 30, 2014
- Unemployment Insurance Agency - Contingent Fund - Financial Report for the Fiscal Year Ended September 30, 2014

Contracted Audits, continued:

- Unemployment Insurance Agency - Obligation Trust Fund - Financial Report for the Fiscal Year Ended September 30, 2014
- Unemployment Insurance Agency - Unemployment Compensation Fund - Financial Report for the Fiscal Year Ended September 30, 2014
- Unemployment Insurance Agency - Unemployment Compensation Fund - Single Audit Report for the Fiscal Year Ended September 30, 2014

Military and Veterans Affairs

Performance Audit:

- Michigan Youth Challenge Academy, 511-0300-14

Natural Resources

Performance Audit:

- Oil and Gas Management, 751-0700-14

State

Performance Audits:

- Driver and Vehicle Related Systems, 231-0525-14
- Motor Vehicle Title and Registration Process, 231-0200-14

State Police

Performance Audit:

- Forensic Science Division, 551-0160-14

Technology, Management, and Budget

Financial Audits:

- Michigan Judges' Retirement System Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014, 071-0153-15M
- Michigan Public School Employees' Retirement System Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014, 071-0152-15M
- Michigan State Employees' Retirement System Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014, 071-0151-15M
- Michigan State Police Retirement System Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014, 071-0154-15M
- State of Michigan 401K Plan - Financial Report - September 30, 2014, 071-0156-15M
- State of Michigan 457 Plan - Financial Report - September 30, 2014, 071-0157-15M

Financial Audits, continued:

- State of Michigan Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2014, 071-0010-15M
- State of Michigan Single Audit Report, 000-0100-15
- Statement of Revenue Subject to Constitutional Limitation - Legal Basis - Fiscal Year Ended September 30, 2014, 071-0030-15
- Statement of the Proportion of Total State Spending From State Sources Paid to Units of Local Government - Legal Basis - Fiscal Year Ended September 30, 2014, 071-0031-15

Performance Audits:

- Data Security Using Mobile Devices, 071-0555-14
- Procurement Card Program, 071-0705-15
- State Surplus, 071-0139-14
- Statewide Cost Allocation Plan and Interagency Billing Processes, 071-0131-14
- Statewide Oracle Database Controls, 071-0565-14
- Vehicle and Travel Services, 071-0136-14

Contracted Audits:

- State Sponsored Group Insurance Fund - Financial Report for the Fiscal Year Ended September 30, 2014
- State Building Authority - Financial Report for the Fiscal Year Ended September 30, 2014

Transportation

Performance Audits:

- Bridge Inspection Program, 591-0169-14
- Monitoring of Warranties and Road and Bridge Construction Projects, 591-0210-14
- Office of Rail, 591-0195-14
- Transport, Construction, Billboard, and Junkyard Permitting Activities, 591-0171-14
- Use of Transportation-Related Funding, 591-0105-14

Preliminary Survey Summaries:

- Bureau of Transportation Planning, 591-0150-15
- Consultant Procurement Process, 591-0211-15
- ProjectWise System, 591-0598-15
- Safety and Security Administration, 591-0163-15

Contracted Audit:

- Mackinac Bridge Authority - Financial Report for the Fiscal Year Ended September 30, 2014

Treasury

Financial Audits:

- Emergency 9-1-1 Fund - Financial Audit Including Report on Internal Control, Compliance, and Other Matters, 271-0265-15
- Michigan Economic Development Corporation - Financial Audit for the Fiscal Year Ended September 30, 2014, 271-0406-15
- Michigan Education Trust Plan D - Financial Audit Including Report on Internal Control, Compliance, and Other Matters, 271-0283-15
- Michigan Education Trust Plans B and C - Financial Audit Including Report on Internal Control, Compliance, and Other Matters, 271-0284-15
- Michigan Finance Authority - Financial Audit Including Report on Internal Control, Compliance, and Other Matters, 271-0340-15
- Michigan Strategic Fund - Financial Audit for the Fiscal Year Ended September 30, 2014, 271-0401-15

Performance Audits:

- Bureau of State Lottery, 271-0450-13
- Office of Collections, 271-0153-14
- Principal Residence Exemption, 271-0245-14
- Workforce Development Agency's Oversight of the Michigan Works! Agencies, 641-0820-07F

Contracted Audits:

- Bureau of State Lottery - Comprehensive Annual Financial Report for the Fiscal Years Ended September 30, 2014 and 2013
- Bureau of State Lottery - Financial Report for the Six-Month Periods ended March 31, 2015 and 2014
- Michigan Education Savings Program - Financial Report for the Fiscal Year Ended September 30, 2014
- Michigan State Housing Development Authority - Financial Report for the Fiscal Year Ended June 30, 2014
- Michigan State Housing Development Authority - Single Audit for the Fiscal Year Ended June 30, 2014

Universities and Colleges

Performance Audit:

- State Public Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data, 331-0300-15

Awards, Honors, and Recognition

2015 National Legislative Program Evaluation Society (NLPES) Impact Award

The OAG received a 2015 NLPES Certificate of Impact for the Performance Audit of the Medicaid Home Help Program, Michigan Department of Health and Human Services, issued in June 2014. The audit team consisted of Scot Hazel, Audit Supervisor; Larry Miller and Dennis McMillan, staff auditors; Laura Hirst, Audit Division Administrator; and Heather Boyd, Audit Manager.



The NLPES Impact Award winners from l to r: Larry Miller, Dennis McMillan, Scot Hazel, Laura Hirst, and Heather Boyd.

Teamwork Coin

The OAG *SOMCAFR* audit team received a teamwork coin from Lieutenant Governor Brian Calley and State Budget Director John Roberts on Wednesday, October 14, 2015. This coin was in recognition for their dedication, hard work, and teamwork in issuing the *SOMCAFR* the fastest in the nation. (The *SOMCAFR* was issued in just 90 days. The next closest state was Washington at 123 days.)

The recognition coins from the Office of Good Government are given in four categories: Excellence, Leadership, Teamwork, and Customer Service. They are designed to recognize state employees who go above and beyond normal expectations in the spirit of reinvention. This was the first time that a non-executive branch employee received a coin.



Mike Ventura, Audit Supervisor, accepts the teamwork coin for the *SOMCAFR* audit team.

National State Auditors Association (NSAA)

The OAG hosted the 2014 NSAA IT Workshop and Conference from September 30 through October 3, 2014, in Grand Rapids, Michigan. Many OAG staff provided excellent presentations as part of the conference agenda. The NSAA Association Director thanked the Auditor General for supporting the conference and stated that the OAG clearly has dedicated and knowledgeable staff. Staff organizers and presenters were Shelly Fanson, Robin Garity, Shannah Havens, Bob Kern, Allison Mikulec, Stephanie Roach, Melissa Schuiling, and Dodi Smith.



L to r: Shelly Fanson, Dodi Smith, Shannah Havens, Bob Kern, Melissa Schuiling, Allison Mikulec, Stephanie Roach, and Robin Garity.

In addition, OAG auditors Keith Edwards, Brandon McAndrew, and Jordan Schafer were presenters at the 2015 NSAA IT Workshop and Conference held September 22-25, 2015 in Hartford, Connecticut. Keith, Brandon, and Jordan demonstrated scripts written to automate the testing of Oracle databases and UNIX operating systems. Our office received many compliments on their presentation, demonstration, and networking.



L to r: Jordan Schafer, Keith Edwards, and Brandon McAndrew presenting at the NSAA IT Workshop and Conference.

Peer Review Report



National State
Auditors Association
An Affiliate of NASACT

PEER REVIEW REPORT October 30, 2015

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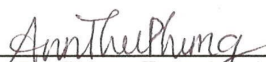
Dear Mr. Ringler:


We have reviewed the system of quality control of the State of Michigan, Office of the Auditor General (the office) in effect for the period October 1, 2014 through September 30, 2015. A system of quality control encompasses the office's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The design of the system and compliance with it are the responsibility of the office. Our responsibility is to express an opinion on the design of the system and the office's compliance with the system based on our review.

We conducted our review in accordance with the policies and procedures for external peer reviews established by the National State Auditors Association (NSAA). In performing our review, we obtained an understanding of the office's system of quality control for engagements conducted in accordance with professional standards. In addition, we tested compliance with the office's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the office's policies and procedures on selected engagements. The engagements selected represented a reasonable cross-section of the office's engagements conducted in accordance with professional standards. We believe that the procedures we performed provide a reasonable basis for our opinion.

Our review was based on selective tests; therefore, it would not necessarily disclose all design matters in the system of quality control or all compliance matters with the system. Also, there are inherent limitations in the effectiveness of any system of quality control; therefore, noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control of the State of Michigan, Office of the Auditor General in effect for the period October 1, 2014 through September 30, 2015 has been suitably designed and was complied with, during the period to provide the audit organization with reasonable assurance of performing and reporting in conformity with *Government Auditing Standards* in all material respects. Audit organizations can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. The State of Michigan, Office of the Auditor General has received a peer review rating of *pass*.


Ann Thu Phung, Team Leader
National State Auditors Association
External Peer Review Team


Mark Ruether, Concurring Reviewer
National State Auditors Association
External Peer Review Team

Cover photograph courtesy of the Michigan Department of Transportation.

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