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Office of the Auditor General

Report Summary

Performance Audit

Real Estate Division

Department of Technology, Management, and Budget

Report Number:
071-0126-15

Released:
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The Real Estate Division's (RED's) mission is to provide cost-effective, functional, and efficient space by providing maximum value in an ethical, professional, and timely manner to exceed the customer's expectations. RED is responsible for the procurement and oversight of the space in which executive branch State agencies conduct their day-to-day operations. RED is not responsible for the acquisition and disposal of land and facilities for the Michigan Department of Transportation, Department of Natural Resources, Department of Military and Veterans Affairs, and the Michigan Land Bank Fast Track Authority. As of October 1, 2014, RED reported 487 active leases with annual lease payments totaling \$83.8 million.

Audit Objective			Conclusion
Objective: To assess the effectiveness of RED's utilization of State-owned and leased properties.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
RED needs to work with the Office of Financial Management to require State agencies to include lease identifying information when recording lease expenditures. Such requirements would improve RED's ability to identify inaccurate or unauthorized lease payments. Also, it would reduce the number of unnecessary steps to compare actual to expected lease payments (Finding #1).		X	Agrees

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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