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Office of the Auditor General

Report Summary

Performance Audit

Great Lakes Water Quality Bond Fund (GLWQBF) Expenditures

Department of Environmental Quality (DEQ)

Report Number:
761-0400-16

Released:
November 2016

Public Act 396 of 2002 created the GLWQBF. Act 396 authorized the issuance of \$1 billion of general obligation bonds to finance sewage treatment works projects, storm water projects, and nonpoint source projects that improve the quality of the waters of the State. From fiscal years 2004 through 2015, GLWQBF expenditures totaled \$228.5 million. This audit was required by Section 324.19708(4) of the *Michigan Compiled Laws*.

Audit Objective			Conclusion
Objective: To assess DEQ's compliance with laws and regulations for expenditures from the GLWQBF.			Complied
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.	Not applicable	Not applicable	Not applicable
Observations Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
DEQ provided education and conducted marketing to make local units of government aware of the availability of GLWQBF grants and loans. As of September 30, 2015, DEQ awarded only \$394 million (39%) of the \$1 billion authorized for the GLWQBF. The GLWQBF can be utilized when funds are appropriated and communities apply for the funds and meet program criteria (<u>Observation #1</u>).	Not applicable	Not applicable	Not applicable

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