



OAG

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, 2016*

Report Number:
071-0010-17

Released:
March 2017

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 January 31, 2017.

Findings Related to Internal Control, Compliance, and Other Matters	Material Weakness	Significant Deficiency	Agency Preliminary Response
The Department of Treasury (Treasury) should improve internal control to prevent the issuance of duplicate tax refunds. Also, Treasury should act timelier to resolve duplicate tax refund issues (Finding #1).		X	Agree
Treasury and the Office of Financial Management (OFM), within the State Budget Office, should continue to enhance internal control to prevent, or detect and correct, misstatements and ensure the reasonableness and accuracy of the tax accruals (Finding #2).		X	Agree
OFM did not ensure that sufficient procedures existed for the transition and oversight of staff responsible for capital asset reporting (Finding #3).		X	Agree
The Michigan Department of Transportation, in conjunction with OFM, did not have sufficient internal control in place to evaluate the dates of service when processing payments and liquidating prior year accounts payable estimates (Finding #4).		X	Agree. Does not intend to implement recommendation.

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

Office of the Auditor General
201 N. Washington Square, Sixth Floor
Lansing, Michigan 48913

Doug A. Ringler, CPA, CIA
Auditor General

Laura J. Hirst, CPA
Deputy Auditor General