



# OAG

Office of the Auditor General

## Report Summary

### *Performance Audit*

### *Unclaimed Property (UP)*

### *Department of Treasury (Treasury)*

**Report Number:**  
271-0130-16

**Released:**  
May 2017

Michigan's UP program serves as the central depository for abandoned and unclaimed property. The State Treasurer acts as property custodian on the owner's behalf. Most property that is held, issued, or owing in the ordinary course of a holder's business and remains unclaimed by the owner for more than three years after it becomes payable or distributed is presumed abandoned. Every business or government agency holding unclaimed property belonging to someone whose last known address was in Michigan must report its holdings to Treasury. For fiscal year 2016, UP received 9,749 unclaimed property holding reports valued at \$150.3 million and paid 40,069 claims totaling \$89.7 million.

Audit Objective			Conclusion
Objective #1: To assess the sufficiency of UP's efforts to validate the accuracy of claimant information prior to releasing abandoned property.			Sufficient
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

Audit Objective			Conclusion
Objective #2: To assess the sufficiency of UP's efforts to monitor contractors that provide auditing and financial services.			Sufficient, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
UP should obtain a Service Organization Controls (SOC) 2, type 2 report from its contractor who serves as the custodian of unclaimed securities transferred to the State. Obtaining the SOC report would provide UP management with independent assurance that the contractor was processing and accounting for unclaimed securities in accordance with contract requirements ( <u>Finding #1</u> ).		X	Agrees

**Obtain Audit Reports**

---

Online: [audgen.michigan.gov](http://audgen.michigan.gov)

Phone: (517) 334-8050

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