



# OAG

Office of the Auditor General

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Doug A. Ringler, CPA, CIA  
Auditor General

December 1, 2017

Dear Governor Snyder, Senators, and Representatives:

This letter provides information regarding the status of our audit projects that either began or transitioned into new audit phases during November 2017. Please refer to our website's [Work in Progress](#) for a complete listing of ongoing projects. Although you will no longer receive individual letters reporting the start of audits or approved audit objectives, we would be pleased to discuss with you any interests or areas of concern you have with any of our ongoing projects.

**Planning Phase** - These are new projects. Typical activities include conducting: the audit entrance meeting; a preliminary survey to identify the audited entity's core activities; assessments of risks and corresponding controls to identify potential program or process improvements or deficiencies; interviews with management and staff, development of detailed audit objectives, and many other tasks.

Department	Audit Title and Type	Project Number
	(Performance - per / Financial - fin / Follow-up - fol / Contracted - con) / Single - sa	
Corrections	Substance Abuse Services - (fol)	471-0360-15F
Transportation	Permit Activities - (per)	591-0171-18

**Audits Terminated** - For these projects, after completing the planning phase, we concluded that significant risk did not exist to warrant additional use of audit resources or that extenuating circumstances supported the termination of the project. When appropriate, we issued a Preliminary Survey Summary to reflect this conclusion, distributed copies to management and select legislative members, and posted the summaries on our website.

Department	Audit Title and Type	Project Number
None		

**Audit Fieldwork** - Typical activities include: additional management and staff interviews; detailed testing of financial transactions, case files, information systems, and other documentation which support the entity's operations; status updates with management and staff; and other tasks.

Department	Audit Title and Type	Project Number
None		

Please note that some projects, particularly financial audits and follow-up reports, operate from pre-established audit objectives and, therefore, move directly to the audit fieldwork stage.

**Report Preparation** - Typical activities include: preparing the draft audit report, discussion of draft findings with the audited entity, receipt of the entity's preliminary responses to findings, and other tasks.

<b>Department</b>	<b>Audit Title and Type</b>	<b>Project Number</b>	<b>Estimated Audit Release Date</b>
Education	Michigan Virtual University - (per)	313-0223-17	February 2018
Licensing and Regulatory Affairs	Bureau of Fire Services and State Fire Marshal - (fol)	641-0434-14F	February 2018
Technology, Management, and Budget	Network and Cyber Security - (per)	071-0518-17	February 2018
Transportation	Pavement Operations - (per)	591-0310-17	February 2018

### **Audits Released**

<b>Department</b>	<b>Audit Title and Type</b>	<b>Project Number</b>	<b>Date Released</b>	<b>Number of</b>	
				<b>Material Weaknesses</b>	<b>Reportable Conditions</b>
Health and Human Services	Walter P. Reuther Psychiatric Hospital - (per)	391-0230-16	11/14/2017	2	5
Treasury and State Police	Emergency 9-1-1 Fund - (fin)	271-0265-17	11/16/2017	0	1
Technology, Management, and Budget	Design and Construction Division - (per)	071-0125-16	11/22/2017	0	3

Although we report this information to you on a monthly basis, we immediately correspond with management and staff as our projects transition through the various stages referenced above.

Please contact me or Laura Hirst, Deputy Auditor General, at (517) 334-8050 if you have questions regarding this summary or wish to discuss specific audit projects.

Sincerely,



Doug Ringler  
Auditor General

c: Agency Audit Liaisons  
SBO-Office of Internal Audit Services