



# OAG

Office of the Auditor General

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**Doug A. Ringler, CPA, CIA**  
Auditor General

July 2, 2018

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 June 2018. 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 / Review - rev / Investigative - inv)	
Corrections	Prisoner Security and Program Classification - (per)	471-0350-18
Natural Resources	Office of Great Lakes - (per)	751-0321-18
Technology, Management, and Budget	Statewide Cost Allocation Plan - (per)	071-0131-18

**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
Transportation	Use of Transportation-Related Funding - Risk Assessment - (per)	591-0105-18

**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
Health and Human Services	Aging and Adult Services Agency - (per)	391-0645-18

**Approved Objectives:**

1. To assess the effectiveness of AASA's efforts to monitor agencies that provided select services to older adults in Michigan.
2. To assess the effectiveness of AASA's efforts in evaluating its performance.
3. To assess the effectiveness of selected MDHHS and DTMB security and access controls over the Aging Information System (AIS).

Health and Human Services	Michigan State Disbursement Unit, Office of Child Support - (per)	431-0142-18
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**Approved Objectives:**

1. To assess the effectiveness of OCS's efforts to ensure the accurate and timely disbursement of child support collections.
2. To assess the effectiveness of OCS's efforts in monitoring the accuracy and completeness of the bank accounts used to record child support financial activities.

Technology, Management, and Budget	SIGMA - Selected Application Controls and Service Level Requirements - (per)	071-0595-18
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**Approved Objectives:**

1. To assess the effectiveness of selected access controls over SIGMA.
2. To assess the effectiveness of the State's efforts to ensure the completeness and accuracy of selected data within SIGMA.
3. To assess the State and vendor's compliance with the service level requirements within the SIGMA contract.

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.

Department	Audit Title and Type	Project Number	Estimated Audit Release Date
Technology, Management, and Budget	Modernization of Legacy IT Systems - (per)	071-0550-17	August 2018
Technology, Management, and Budget	IT Project Management Processes - (fol)	071-0585-16F	August 2018
Health and Human Services	Children's Protective Services Investigations - (per)	431-1285-16	September 2018
Transportation	Transport Permit Activities - (per)	591-0171-18	September 2018

**Audits Released**

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
State Budget Office	State Public Universities' Reporting of Selected Higher Education Institutional Data Inventory (HEIDI) Data - (per)	331-0300-18	6/7/2018	0	0
Health and Human Services	Partnership. Accountability. Training. Hope. (PATH) Program - (per)	431-3301-16	6/13/2018	1	6
Environmental Quality	Flint Water Line Replacement Expenditures - (per)	761-3017-18	6/27/2018	0	0
State Budget Office	Single Audit Report, State of Michigan (Fiscal Year Ended September 30, 2017) - (sa)	000-0100-18	6/28/2018	13	53

State Budget Office	Independent Accountant's Review Report, Revenue Subject to Constitutional Limitation - (fin)	071-0030-18	06/29/2018	0	0
State Budget Office	Independent Accountant's Review Report, Proportion of Total State Spending from State Sources - (fin)	071-0031-18	06/29/2018	0	0

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