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Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

August 1, 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 July 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)	
State Police	Automobile Theft Prevention Authority - (per)	551-0108-18
Environmental Quality	Community and Non-Community Water Supply - (fol)	761-0320-15F

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
State	Regulatory Monitoring Division - (per)	231-0220-18

Approved Objectives:

1. To assess the effectiveness of RMD's efforts to inspect vehicle sales and repair facilities.
2. To assess the effectiveness of RMD's efforts to document, investigate, and resolve consumer complaints.

Environmental Quality	Clean Michigan Initiative - (per)	761-0217-18
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of DEQ's efforts to ensure that the use of CMI funds complies with laws, regulations, and contract requirements. 2. To assess DEQ's compliance with CMI program reporting requirements. 3. To compile and report data for programs eligible for CMI funding. 		
Health and Human Services	Long-Term Care Nursing Facility Medicaid Reimbursement and Rate Setting Process - (per)	391-0570-18
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of MDHHS's efforts to administer the long-term care rate setting process. 2. To assess the effectiveness of MDHHS's efforts to administer the long-term care audit process. 3. To assess the effectiveness of MDHHS's efforts to administer the long-term care cost settlement process. 		
Military and Veterans Affairs	Michigan National Guard State Tuition Assistance Program - (per)	511-0400-18
Approved Objective:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of DMVA's administration of MiNGSTAP. 		
Military and Veterans Affairs	Emergency Grant Program - Michigan Veterans Affairs Agency - (per)	511-0410-18
Approved Objectives:		
<ol style="list-style-type: none"> 1. To assess MVAA's compliance with EGP legislative reporting requirements. 2. To assess the sufficiency of MVAA's efforts to administer EGP. 		
Treasury	Children of Veterans Tuition Grant Program - (per)	271-0311-18
Approved Objective:		
<ol style="list-style-type: none"> 1. To assess the effectiveness of the Department of Treasury's administration of CVTGP. 		

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Estimated Audit Release Date</u>
Technology, Management, and Budget	Report on Internal Control, Compliance, and Other Matters - Michigan Military Retirement Provisions - Fiscal Year Ended September 30, 2017 - (fin)	071-0158-18	August 2018
Treasury and State Police	Emergency 9-1-1 Fund - (fin)	271-0265-18	September 2018

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Transportation	Administration of Act 51-Related Funds - (per)	591-0410-17	07/10/2018	0	2
Corrections and Technology, Management, and Budget	Offender Management System - (per)	471-0593-17	07/31/2018	1	0
State Budget Office	Flint Emergency Expenditures - (per)	000-2018-18	07/31/2018	0	1
Technology, Management, and Budget	Report on Internal Control Over Financial Reporting, Michigan Public Schools Employees' Retirement System - Schedule of Employer Allocations and Schedule of Collective Pension Amounts - fiscal year ended September 30, 2017 - (fin)	071-0164-18	7/31/2018	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