



OAG

Office of the Auditor General

201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • audgen.michigan.gov

Doug A. Ringler, CPA, CIA
Auditor General

October 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 September 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)	
Agriculture and Rural Development	Geagley Laboratory - Microbiology - (per)	791-0125-19

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
Health and Human Services	Child Welfare Caseloads - (per)	431-2785-18

Approved Objective:

1. To assess the sufficiency of MDHHS's central office efforts to monitor selected child welfare staff caseloads.

State Police	Automobile Theft Prevention Authority - (per)	551-0108-18
--------------	---	-------------

Approved Objectives:

1. To assess the effectiveness of ATPA in administering grants for automobile theft prevention programs.
2. To determine the appropriateness of ATPA expenditures.

Legislature	Michigan Legislative Retirement System - (fin)	900-0140-19
-------------	--	-------------

Technology, Management, and Budget	Michigan State Employees' Retirement System Financial Statement Audit and Report on Internal Controls - (fin)	071-0151-19
------------------------------------	---	-------------

Technology, Management, and Budget	Michigan Public School Employees' Retirement System Financial Statement Audit and Report on Internal Controls - (fin)	071-0152-19
------------------------------------	---	-------------

Technology, Management, and Budget	Michigan Judges' Retirement System Financial Statement Audit and Report on Internal Controls - (fin)	071-0153-19
------------------------------------	--	-------------

Technology, Management, and Budget	Michigan State Police Retirement System Financial Statement Audit and Report on Internal Controls - (fin)	071-0154-19
------------------------------------	---	-------------

Technology, Management, and Budget	State of Michigan 401K Plan Financial Statement Audit and Report on Internal Controls - (fin)	071-0156-19
------------------------------------	---	-------------

Technology, Management, and Budget	State of Michigan 457 Plan Financial Statement Audit and Report on Internal Controls - (fin)	071-0157-19
------------------------------------	--	-------------

Technology, Management, and Budget	Michigan Military Retirement Plan Financial Statement Audit and Report on Internal Controls - (fin)	071-0158-19
------------------------------------	---	-------------

Approved Objectives:

1. To express an opinion on whether the entity's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. To issue a report on internal control over financial reporting and on compliance and other matters in accordance with generally accepted government auditing standards.

Talent and Economic Development	Single Audit of the Unemployment Insurance Agency - Administration Fund for the Fiscal Year Ended September 30, 2018 - (con)	NA
---------------------------------	--	----

Talent and Economic Development	Single Audit of the Unemployment Insurance Agency - Unemployment Compensation Fund for the Fiscal Year Ended September 30, 2018 - (con)	NA
---------------------------------	---	----

Approved Objective:

1. To issue a report on compliance for each major program, internal control over compliance, and the schedule of expenditures of federal awards as required by the Uniform Guidance.

Talent and Economic Development	Unemployment Insurance Agency - Administration Fund - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
---------------------------------	---	----

Talent and Economic Development	Unemployment Insurance Agency - Unemployment Compensation Fund - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
---------------------------------	--	----

Talent and Economic Development	Unemployment Insurance Agency - Contingent Fund - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
---------------------------------	---	----

Talent and Economic Development	Unemployment Insurance Agency - Obligation Trust Fund - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Technology, Management, and Budget	State Building Authority - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Technology, Management, and Budget	State Sponsored Group Insurance Fund - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Transportation	Mackinac Bridge Authority - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Treasury	Bureau of State Lottery - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Treasury	Michigan Education Savings Program - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Treasury	Michigan Finance Authority - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Treasury	Michigan Education Trust, Plan D - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Treasury	Michigan Education Trust, Plans B & C - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA
Treasury	Michigan Achieving a Better Life Experience - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA

Approved Objectives:

1. To express an opinion on whether the entity's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. To issue a report on internal control over financial reporting and on compliance and other matters in accordance with generally accepted government auditing standards.

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	State of Michigan, Postemployment Life Insurance Benefit, Schedule of Employer Allocations and Schedule of Other Postemployment Benefit Amounts by Employer, Fiscal Year Ended September 30, 2017 - (fin)	071-0168-18	October 2018
Licensing and Regulatory Affairs	Oversight of Health Professions, Bureau of Health Care Services - (fol)	641-0430-14F	November 2018
Technology, Management, and Budget	Statewide Cost Allocation Plan and Interagency Billing Processes - (per)	071-0131-18	December 2018

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Health and Human Services	Children's Protective Services Investigations - (per)	431-1285-16	9/6/2018	17	7
Technology, Management, and Budget	Michigan Military Retirement Provisions, Report on Internal Control, Compliance, and Other Matters - (fin)	071-0158-18	9/13/2018	0	1
Technology, Management, and Budget	Modernization of Legacy IT Systems - (per)	071-0550-17	9/18/2018	2	2
Transportation	Transport Permit Activities - (per)	591-0171-18	9/20/2018	0	1
Licensing and Regulatory Affairs	Liquor Purchase Revolving Fund - Michigan Liquor Control Commission - Independent Auditor's Report - (fin)	641-0161-18	9/26/2018	0	0
Technology, Management, and Budget	Michigan State Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - Independent Auditor's Report - (rev)	071-0165-18	9/26/2018	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