



# OAG

Office of the Auditor General

## Report Summary

### Performance Audit

### Clean Michigan Initiative (CMI)

### Environmental Protection Programs

### Department of Environmental Quality (DEQ)

**Report Number:**

**761-0217-18**

**Released:**

**December 2018**

DEQ administers environmental protection programs funded with CMI bond proceeds. These programs include response activities at facilities, the Waterfront Redevelopment Program, the Remediation of Contaminated Lake and River Sediments Program, the Nonpoint Source (NPS) Pollution Prevention and Control Program, the Clean Water Fund, and the Pollution Prevention Program. DEQ's environmental protection programs account for \$570 million (84%) of the total \$675 million of CMI bonds. This performance audit was required by Section 324.19615 of the *Michigan Compiled Laws*.

Audit Objective			Conclusion
Objective #1: To assess the effectiveness of DEQ's efforts to ensure that the use of CMI funds complies with laws, regulations, and contract requirements.			Effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
None reported.		Not applicable.	

Audit Objective			Conclusion
Objective #2: To assess DEQ's compliance with CMI program reporting requirements.			Complied, with exceptions
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
DEQ inadvertently included some non-CMI expenditures in its annual reports to the Legislature and omitted some project details, such as project closure date, project status, and cumulative expenditures, for 8 (5%) of 146 Brownfield Redevelopment Loan projects and 31 (13%) of 239 NPS projects. Complete reporting will help ensure that the Legislature has the information it needs to provide program oversight ( <a href="#">Finding #1</a> ).		X	Agrees

Audit Objective		Conclusion	
Objective #3: To compile and report data for programs eligible for CMI funding.		Compiled and reported	
Observation Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
Status of CMI programs and funding ( <u>Observation #1</u> ).	Not applicable for observations.		

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