



# 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

January 7, 2019

Dear Governor Whitmer, Senators, and Representatives:

This letter provides information regarding the status of our audit projects that either began or transitioned into new audit phases during December 2018. Please refer to our website's [Work in Progress](#) for a complete listing of ongoing projects. 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.

**Audit Title and Type**

(Performance - per / Financial - fin / Follow-up - fol /

Contracted - con / Single - sa / Review - rev / Investigative - inv)

**Department**

**Project Number**

None

**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**

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

**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    Statewide Child Support Program - Establishment of Child Support Orders - (per)    431-0701-15

**Approved Updated Objective:**

1. To assess the effectiveness of the Child Support Program's efforts to establish child support cases and orders.

Technology, Management, and Budget    Information Technology Fund and IT Billings - (per)    071-0137-17

**Approved Updated Objective:**

1. To assess the effectiveness of DTMB's administration of the Information Technology (IT) Fund.

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>
Military and Veterans Affairs	Michigan Veterans' Trust Fund, Michigan Veterans Affairs Agency - (per)	511-0410-18	February 2019
Technology, Management, and Budget	SIGMA - Selected Application Controls and Service Level Requirements - (per)	071-0595-18	February 2019
Technology, Management, and Budget	State of Michigan 401K Plan, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2018 - (fin)	071-0156-19	February 2019
Technology, Management, and Budget	State of Michigan 457 Plan, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2018 - (fin)	071-0157-19	February 2019
Legislature	Michigan Legislative Retirement System, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2018 - (fin)	900-0140-19	February 2019
Health and Human Services	Comprehensive Health Care Program - Oversight and Encounter Claim Integrity - (per)	391-0702-17	March 2019

### Audits Released

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>	<u>Date Released</u>	<u>Number of</u>	
				<u>Material Weaknesses</u>	<u>Reportable Conditions</u>
Licensing and Regulatory Affairs	Michigan Agency for Energy - (per)	641-0171-18	12/11/2018	0	2
Environmental Quality	Clean Michigan Initiative - (per)	761-0217-18	12/21/2018	0	1
State	Regulatory Monitoring Division - (per)	231-0220-18	12/27/2018	0	1
Transportation	Maintenance Services Section - (per)	591-0160-18	12/27/2018	0	3
Corrections	Facility Closures and Consolidations - (fol)	471-0375-11F	12/28/2018	0	1
Technology, Management, and Budget	Executive Order 2016-24 Enterprise Information Management - (per)	071-1595-18	12/28/2018	0	3

We report this information to you on a monthly basis, and we correspond with auditee management and staff regularly 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,

A handwritten signature in blue ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler  
Auditor General

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