



OAG

Office of the Auditor General

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Doug A. Ringler, CPA, CIA
Auditor General

February 4, 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 January 2019. 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.

Department	Audit Title and Type	Project Number
	(Performance - per / Financial - fin / Follow-up - fol / Contracted - con / Single - sa / Review - rev / Investigative - inv)	
Technology, Management, and Budget	Michigan Cyber Civilian Corps, DTMB Cyber and Infrastructure Protection - (per)	071-0519-19

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
Education	Office of Educator Excellence - (per)	313-0140-18

Approved Objectives:

1. To assess the sufficiency of OEE's oversight of required district provided professional development and mentoring for teachers.
2. To assess the sufficiency of OEE's oversight of required evaluations for teachers and school administrators.
3. To assess the effectiveness of OEE's efforts to ensure that certificates, endorsements, and permits are only issued to educators who comply with State requirements.
4. To assess the effectiveness of selected MDE user access controls over the Michigan Online Educator Certification System (MOECS).

Licensing and Regulatory Affairs Self Insurers' Security Fund - (fin) 641-0101-19

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.

Treasury Transition in the Office of State Treasurer - (fin) 271-0256-19

Approved Objective:

1. To express an opinion on whether the schedule of cash and investments in the possession or under the control of the State Treasurer and collateral pledged to the State Treasurer as of December 31, 2018 is fairly presented in conformity with accounting principles generally accepted in the United States of America.

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>
Talent and Economic Development	Michigan Strategic Fund, Opinion on Financial Statements and Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2018 - (fin)	186-0401-19	March 2019
Talent and Economic Development	Michigan Economic Development Corporation, Opinion on Financial Statements and Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2018 - (fin)	186-0406-19	March 2019
Technology, Management, and Budget	Michigan State Employees' Retirement System, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2018 - (fin)	071-0151-19	March 2019
Technology, Management, and Budget	Michigan Public School Employees' Retirement System, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2018 - (fin)	071-0152-19	March 2019
Technology, Management, and Budget	Michigan Judges' Retirement System, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2018 - (fin)	071-0153-19	March 2019

Technology, Management, and Budget	Michigan State Police Retirement System, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2018 - (fin)	071-0154-19	March 2019
Technology, Management, and Budget	Michigan Military Retirement Provisions, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2018 - (fin)	071-0158-19	March 2019

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Transportation	Mackinac Bridge Authority - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA	1/4/2019	NA	NA
Health and Human Services	Statewide Child Support Program - Establishment of Child Support Cases and Orders - (per)	431-0701-15	1/8/2019	0	1
Talent and Economic Development	Rental Assistance and Homeless Solutions - (per)	186-0220-17	1/18/2019	0	3
Treasury	Michigan Education Trust Fund - Plans B & C - Annual Report for the Fiscal Year Ended September 30, 2018 - (con)	NA	1/23/2019	NA	NA
Treasury	Michigan Education Trust Fund - Plan D - Annual Report for the Fiscal Year Ended September 30, 2018 - (con)	NA	1/23/2019	NA	NA
Treasury	Michigan Education Savings Program - Financial Report for the Fiscal Year Ended September 30, 2018 - (con)	NA	1/25/2019	NA	NA
Environmental Quality	Community and Non-Community Water Supply - (fol)	761-0320-15F	1/29/2019	0	3
Talent and Economic Development	Michigan Business Development Program - (per)	186-0500-17	1/29/2019	0	3
State Budget Office	Flint Emergency Expenditures - (per)	000-2018-19	1/31/2019	0	0

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