STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF MILITARY & VETERANS AFFAIRS
LANSING

MG PAUL D. ROGERS
THE ADJUTANT GENERAL AND DIRECTOR

Richard Lowe, Chief Internal Auditor
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, Michigan 48913

Dear Mr. Lowe:

In accordance with State of Michigan, Financial Management Guide, Part VII, attached are a summary table identifying our responses and corrective action plans to address recommendations contained within the Office of the Auditor General's audit report of the Department of Military & Veterans Affairs Michigan National Guard State Tuition Assistance Program.

Questions regarding the summary table or corrective action plans should be directed to the undersigned at apostolc@michigan.gov or 517-481-7645.

Sincerely,

Signature Redacted

Christine F. Apostol
Chief Financial Officer
State Operations

Responses to Office of the Auditor General's Performance Audit of
Michigan National Guard Tuition Assistance Program (MINGSTAP)

Summary Table
Audit recommendations the program complied with:
1.   Improvements needed to compliance verification process
2.   Evaluation of program effectiveness needed

1.Improvements needed to compliance verification process
The auditors recommended that DMVA verify students' compliance with MINGSTAP requirements.
Agency Preliminary Response: DMVA has complied.

The auditors stated that DMVA could improve its compliance verification process to ensure that tuition payments are made on behalf of only eligible students and that total tuition assistance does not exceed the students' total tuition. DMVA had not designed a control to ensure that transcripts and billing invoices were obtained from the educational institution and reviewed or that alternate verification review procedures were conducted.

- Invoices are required with submission of each payment. The administrator reviews the submission and validates the review was completed within the online program.
    - A 15% sample of invoices are reviewed by the administrator and compared to the amount requested and checked for payments from other sources. If the student received payment from other sources and the combination would exceed 100% of their tuition, they may be allowed to receive the funds from those additional sources back. (MINGSTAP is tuition specific, other forms of aid are not and can therefore be reimbursed to the student for other needs.)
- Transcripts or Certificates of Achievement are required after the end of the term and requested directly from the school. The administrator reviews documentation and validates the review was completed within the online program.
    - A 15% sample of transcripts and certificates are reviewed by the administrator to verify that the classes billed for are on the transcript and also to ensure a minimum cumulative GPA of 2.0 on a 4.0 scale.

2. Evaluation of program effectiveness needed
The auditors recommended that DMVA evaluate the effectiveness of MINGSTAP.
Agency Response: DMVA has complied.

The auditors stated that DMVA had not evaluated the effectiveness of MINGSTAP. Therefore, DMVA management and others charged with governance did not have complete information to support program decisions regarding MINGSTAP's strategic direction. DMVA had not identified the percentage of new recruits and new reenlistments who participated in MINGSTAP and, therefore, did not have the data to be able to compare Michigan's Army and Air National Guard strength with its four neighboring states.

- DMVA is now tracking if a person is on their first enlistment or if they re-enlisted within the last 12 months.
- DMVA will report MING recruiting and retention data, including a comparison with the surrounding states quarterly.

- On May15, 2019 DMVA received FY19 Quarter 2 Army and Air National Guard recruiting and retention data, including a comparison with the surrounding states.
- This will be included as part of the Legislative Metrics reporting for Quarters 2 and 3 (they are reported out together).