



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 2, 2020

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 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.

<u>Department</u>	<u>Audit Title and Type</u> (Performance - per / Financial - fin / Follow-up - fol / Contracted - con / Single - sa / Review - rev / Investigative - inv)	<u>Project Number</u>
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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Labor and Economic Opportunity	Community Development and Revitalization Programs - Michigan State Housing Development Authority - (per)	186-0210-20

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.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Health and Human Services	Medicaid Client Eligibility Determination - (per)	391-0710-19

Approved Objectives:

1. To assess the effectiveness of MDHHS's efforts to complete accurate Medicaid eligibility determinations.
2. To assess the effectiveness of MDHHS's oversight of the Medicaid client eligibility determination process at MDHHS local offices.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Labor and Economic Opportunity	Multifamily Rental Housing Development and Homeownership Programs - (per)	186-0205-20

Approved Objectives:

1. To assess the effectiveness of MSHDA's efforts in administering multifamily direct lending programs.
2. To assess the effectiveness of MSHDA's efforts in awarding Low Income Housing Tax Credits.
3. To assess the effectiveness of MSHDA's efforts in providing financing to Michigan residents with low and moderate income for the purchase of single-family homes.
4. To assess the effectiveness of MSHDA's efforts in providing assistance to Michigan homeowners under the Hardest Hit Fund (HHF) programs.
5. To assess the effectiveness of MSHDA's security and access controls over selected systems and shared drives.

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 401K Plan, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0156-20	January 2020
Technology, Management, and Budget	State of Michigan 457 Plan, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0157-20	January 2020
Labor and Economic Opportunity	Claimant Services, Unemployment Insurance - (fol)	641-0318-14F	February 2020
Legislature	Michigan Legislative Retirement System, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2019 - (fin)	900-0140-20	February 2020
Technology, Management, and Budget	Michigan Judges' Retirement System, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0153-20	February 2020
Technology, Management, and Budget	Michigan State Police Retirement System, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0154-20	February 2020
Technology, Management, and Budget	Michigan Military Retirement Provisions, Opinion on Financial Statements and Internal Control Report, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0158-20	February 2020
Corrections	Women's Huron Valley Correctional Facility - Medical, Dental, and Optical Services - (per)	471-0301-19	March 2020
Education	Office of Educator Excellence - (per)	313-0140-18	March 2020
Treasury	Michigan Integrated Tax Administration Systems - (per)	271-0595-19	March 2020

Audits Released

Department	Audit Title and Type	Project Number	Date Released	Number of	
				Material Weaknesses	Reportable Conditions
Labor and Economic Opportunity	Michigan State Housing Development Authority Cash and Investments - (fin)	186-0201-19	12/04/2019	0	0
Labor and Economic Opportunity	Workers' Disability Compensation Agency - (per)	641-0470-18	12/05/2019	0	2
Technology, Management, and Budget	Michigan's Public Safety Communications System - (per)	071-0147-18	12/10/2019	0	4
State	Office of Hearings and Administrative Oversight - (per)	231-0233-19	12/20/2019	0	3
Technology, Management, and Budget	State Sponsored Group Insurance Fund - Financial Report and Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Fiscal Year Ended September 30, 2019 - (con)	NA	12/20/2019	NA	NA
Treasury	Michigan Education Savings Program - Financial Report for the Fiscal Year Ended September 30, 2019 - (con)	NA	12/20/2019	NA	NA
State	Bureau of Elections - (per)	231-0235-19	12/27/2019	1	3
Technology, Management, and Budget	MiLogin - (per)	071-0570-18	12/27/2019	1	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,



Doug Ringler
Auditor General

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