



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

ORLENE HAWKS  
DIRECTOR

November 12, 2020

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

Dear Mr. Lowe:

In accordance with the State of Michigan, Financial Management Guide, Part VII, I submit to you LARA's summary of responses addressing the recommendations contained within the Office of the Auditor General's performance audit report (# 641-0991-19) of LARA's Office of Land Survey and Remonumentation.

Please direct any questions you may have regarding this summary to me at (517) 331-6158.

Sincerely,

Lora J. MacKay  
Audit Liaison

cc: JoAnne Huls, Executive Office  
Laura Hirst, Office of the Auditor General  
Mary Ann Cleary, House Fiscal Agency  
Christopher Harkins, Senate Fiscal Agency  
Representative Shane Hernandez, House Appropriations Committee  
Senator Jim Stamos, Senate Appropriations Committee  
Orlene Hawks, Director, LARA  
Courtney Pendleton, Deputy Director, LARA  
LeAnn Droste, Director, Finance and Administrative Services, LARA  
Keith Lambert, Director, Bureau of Construction Codes, LARA

Bureau of Construction Codes (BCC)  
Department of Licensing and Regulatory Affairs (LARA)  
Summary of Agency Responses to Recommendations  
Report Number 641-0991-19  
March 2020

1. Audit recommendations the agency agrees with and will comply:  
1a
2. Audit recommendations the agency partially agrees with and will partially comply:  
1b, 1c, 1d
3. Audit recommendations the agency disagrees with:  
None

**Finding 1 a-d: We recommend that OLSR enhance its monitoring processes.**

**Agency Response:**

We agree with this recommendation. OLSR will verify the accuracy of county revenue remitted and verify that the county complied with the procurement process outlined in the grant at the time expenditures are submitted. OLSR will revise current procedures to obtain sufficient documentation to support county expenditures along with seeking appropriate explanations from counties for corner discrepancies.

**Update as of 9/18/20**

Finding 1a:

1. Effective 10/1/20, a revised Treasury deposit form will be used to determine the appropriate deposit amounts.
2. The Application/Completion report has been revised to provide a more accurate corner inventory.
3. Counties will be informed of these changes during their trainings on September 22, 2020 and October 13, 2020.

Finding 1b:

1. Invoices from surveyors are required to list all appropriate expenditures, including the specific corners being billed and the tasks performed. If a county is

billing by tasks for a specific corner, the rate and number of hours must be listed. A receipt is required for any material items that are purchased.

2. Mileage can only be billed in accordance with the DTMB travel reimbursement rates.
3. Training regarding these requirements was provided to the counties on October 2-4, 10-11, 15, and 22, 2019 and will be provided again on September 22 and October 13, 2020.

Finding 1c:

1. For 2019 Completion Reports, OLSR obtained written documentation for counties that did less corners than planned.
2. Training regarding these requirements was provided to the counties on October 2-4, 10-11, 15, and 22, 2019 and will be provided again on September 22 and October 13, 2020.

Finding 1d:

1. OLSR plans to work with counties to develop a competitive bid process that utilizes Quality Based Selection for professional services. It will address the option of sole source and give specific guidance for the selection process.