



# 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

March 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 February 2020. 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)	
Health and Human Services	Adult Protective Services - (per)	431-2601-20

**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	Virtual Learning in Traditional Public Schools - (per)	313-0224-16

**Approved Updated Objective:**

- To determine the sufficiency of MDE's efforts to monitor and evaluate the virtual learning provided by traditional public schools.

We amended the objectives to report test results related to MDE's monitoring of access, support, and provision of the online learning experience within one objective related to monitoring and evaluating virtual learning.

<u>Department</u>	<u>Audit Title and Type</u>	<u>Project Number</u>
Technology, Management, and Budget	Michigan Public School Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - (rev)	071-0164-20

**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.

Technology, Management, and Budget	Michigan State Employees' Retirement System Schedules of Employer Pension and OPEB Allocations and Schedule of Collective Pension and OPEB Amounts - (rev)	071-0165-20
------------------------------------	--	-------------

**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.

Technology, Management, and Budget	Employee Benefits Division's Postemployment Life Insurance Benefit Schedule of Employer Allocations for the year ended September 30, 2019 - (rev)	071-0168-20
------------------------------------	---	-------------

**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.

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>
Environment, Great Lakes, and Energy	Sustainability Section, Materials Management Division - (per)	761-0335-19	April 2020
Transportation	Traffic and Safety Section - (per)	591-0162-19	April 2020

**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>
Technology, Management, and Budget	Michigan Judges' Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0153-20	02/04/2020	0	0

Technology, Management, and Budget	Michigan State Police Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0154-20	02/04/2020	0	0
Technology, Management, and Budget	Michigan Military Retirement Provisions, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0158-20	02/04/2020	0	0
Transportation	Bureau of Finance and Administration - (per)	591-0130-19	02/05/2020	1	3
Treasury	Michigan Education Trust Fund - Plans B & C - Annual Report for the Fiscal Year Ended September 30, 2019 - (con)	NA	02/06/2020	NA	NA
Treasury	Michigan Education Trust Fund - Plan D - Annual Report for the Fiscal Year Ended September 30, 2019 - (con)	NA	02/06/2020	NA	NA
Treasury	Bureau of State Lottery - 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	02/06/2020	NA	NA
Technology, Management, and Budget	State Building Authority - 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	02/10/2020	NA	NA
Technology, Management, and Budget	Michigan State Employees' Retirement System, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2019 - (fin)	071-0151-20	02/20/2020	0	0
Labor and Economic Opportunity	Michigan Strategic Fund, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2019 - (fin)	186-0401-20	02/20/2020	0	0

Labor and Economic Opportunity	Michigan Economic Development Corporation, Report on Internal Control, Compliance, and Other Matters, for the Fiscal Year Ended September 30, 2019 - (fin)	186-0406-20	02/20/2020	0	0
Labor and Economic Opportunity	Claimant Services, Unemployment Insurance - (fol)	641-0318-14F	02/25/2020	0	4
Labor and Economic Opportunity	Unemployment Insurance Agency - Administration Fund - Financial Report for the Fiscal Year Ended September 30, 2019 - (con)	NA	02/27/2020	NA	NA
Labor and Economic Opportunity	Unemployment Insurance Agency - Contingent Fund - Financial Report for the Fiscal Year Ended September 30, 2019 - (con)	NA	02/27/2020	NA	NA
Labor and Economic Opportunity	Unemployment Insurance Agency - Obligation Trust Fund - Financial Report for the Fiscal Year Ended September 30, 2019 - (con)	NA	02/27/2020	NA	NA
Labor and Economic Opportunity	Unemployment Insurance Agency - Unemployment Compensation Fund - Financial Report for the Fiscal Year Ended September 30, 2019 - (con)	NA	02/27/2020	NA	NA

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